HOW TO SELL ASSURANCE

A GUIDE FOR THE AGENTS OF THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

BY

WILLIAM ALEXANDER

REVISED AND ENLARGED EDITION

1902

THE WINTHROP PRESS
NEW YORK

HOW TO SELL ASSURANCE.

PREFACE.

This book is designed to instruct young agents, and to remind old agents of things they sometimes forget. Its title, "*How to Sell Assurance,*" is suggestive. Modern life assurance is something that people are ready to *buy*. They do not ignore its *protective* value, but they now add to that an appreciation of its value as an *investment*. The agent is a *salesman;* and to succeed, he must know the wares he has to offer. He must know more than this, he must learn to read character, and he must understand himself.

It will pay you to read this book, even if you should find it an arduous task, for it not only contains the best advice that the writer's thirty years of observation and experience in the business enable him to give, but it embodies the best practical suggestions that have come to him from the brightest canvassers of the "strongest company in the world."

W. A.

NOTE.

These chapters do not give full descriptions of the different policies issued by the Society. A separate pamphlet is issued describing each important contract. The chief aim here is to bring together information and suggestions not likely to be found elsewhere.

CONTENTS.

PART I.

DIFFERENT CONTRACTS.

PART II.

GENERAL HINTS.

PRELIMINARY CHAPTER.

The man who attempts to sell modern life assurance must be up to date. Obsolete methods will not succeed. There is special significance in the very phrase "how to sell assurance." In old times it was "how to assure lives." It is, has always been, and always will be, the chief glory of life assurance that it protects the widow, the orphan and the aged; and although the modern policy furnishes this protection as completely, or more completely, than ever before, the new contract is vastly superior to the old in that its value as *an investment* is enhanced. The truth of this will be apparent as the different contracts come under review. At the outset there are other things to which the agent should give attention. He should, for example, see to it that he begins with the *right point of view* regarding life assurance; that he assumes the right attitude; that he approaches his work in the right spirit. The agent who approaches the public confidently as a salesman, knowing that he has something of the highest value to sell, which the public will appreciate, *and buy* as soon as the facts are made clear, will be moving in the right direction. But this is not enough. The best agent is the man who discovers that he has chosen a pursuit that is capable of affording him intense pleasure. The pleasure to be

derived from successful canvassing may be as keen, and has the same characteristics, as the pleasure experienced by the successful fisherman or the mighty hunter. To the agent who thoroughly appreciates the quality of the work in which he is engaged; the enthusiasm; the eager determination to triumph; the gratification in success, will be like that of the winning football player, who has thrown all his intellectual as well as all his physical powers into an irresistible *determination to win.* In this general connection the reader is advised to turn to the last three chapters (XXIII, XXIV and XXV) in this volume, after reading which, the chapters dealing with the different forms of policies issued by the Society may be read with advantage before turning to the rest of the general hints to agents.

PART I.

THE DIFFERENT CONTRACTS OF ASSURANCE ISSUED BY THE SOCIETY.

CHAPTER I.

GOLD BONDS.

The first difficulty every agent has is to secure *attention*. It is not always easy to get a man to grant you an interview if life assurance is to be the topic of conversation; but in these times it is not hard to get any man who has money to invest (and that is the man the agent wants) to consider the offer of a *Gold* bond running for *twenty* years, bearing *five* per cent. interest, and issued and guaranteed by the "strongest" company, the one whose surplus is larger than that of any other life assurance organization in the world.

The agent who offers Gold Bonds must thoroughly understand what it is he has for sale. This is especially important because the Gold Bond contract differs essentially from all the other policies and contracts issued by the Society.

There are two ways of looking at the Gold Bond contract, and the *agent* will do well to study it from both points of view. When he comes to deal with the public *one* of them will be sufficient, and he will find the *second* the most attractive and effective.

1. The Gold Bond contract viewed as a policy of assurance PAYABLE *at maturity in Gold Bonds.*

When the agent effects the sale of a block of Gold

Bonds, he explains to the purchaser that he is granted the privilege of paying for the Bonds in instalments, and that after the purchaser has paid his first instalment a preliminary contract called the "Contract of Sale" will be delivered to him *to bind the transaction.* Now, this Contract of Sale is nothing more nor less than an *assurance policy.* The first "instalment" paid by the purchaser (the assured) is the *premium* on the policy, and the "subscription" is really an *application.* It is not until this assurance policy actually *matures* (whether in consequence of the death of the assured, or at the end of the endowment period, if an Endowment), that the *actual bonds* are issued. The transaction, in short, is simply this: A man signs an application applying for a life or endowment policy, which policy at maturity *is to be paid* in Gold Bonds instead of cash. (But it is stipulated in the contract that if the beneficiary *does not want the Bonds,* the Society will give, instead of the Bonds, their equivalent value in cash.)

Now, while this description of the Gold Bond contract is absolutely accurate, there is a second way of looking at the transaction which is equally accurate, and has the advantage of being novel and attractive and more easily understood by the outside investor than the method already explained. Let us view the transaction, then, from this second point of view, and we are sure that, after having done so, you will agree that it is the true way to submit the matter to the public.

2. The Gold Bond contract viewed as an investment, protected by assurance.

When the transaction is viewed in the way now to be described, the agent becomes a banker or broker. The assured becomes the investor, or purchaser, and his application becomes a " subscription" for a block of Bonds.

You explain that you have for sale a new issue of 5 per cent. Gold Bonds (either coupon or registered) to run for twenty years, payable in gold at maturity, and bearing a 5 per cent. income, payable semi-annually in gold. They are for sale in lots of from $1,000 to $200,000. This much any investor can understand, but when you go on to explain that the investment has two novel and valuable characteristics, it will be necessary for you to see to it that your explanations are plain and clearly understood.

In the first place, you must show how it is that the Bonds are to be paid for in equal annual *instalments* and not in one lump sum in advance; and, in the second place, you must explain that the investment is *insured*—that is to say, it is protected against loss or impairment. The first instalment must be paid, of course; and second, and subsequent, instalments must be paid if the investor lives; but if death comes after only one instalment has been paid, the Equitable Society steps in and makes good, as it were, the failure of the investor to complete his part of the contract. Instantly the Society issues the Bonds and delivers them to the beneficiary, and the beneficiary has nothing to pay and everything to receive. And the Bonds will immediately begin to earn an in-

come of 5 per cent. to run for twenty years, after which the bonds will be paid in gold.

The agent can then show that these Bonds are preferable to Government securities. They are practically as safe, because they are issued by the strongest financial institution of its kind, whose surplus is larger than that of any other company. And in certain respects they are superior to Government securities, (1) because the income is larger; (2) because the cost is less; (3) because, as we have already seen, payment is to be made in instalments, and (4) because they are *insured.*

Continuing in the same strain, the agent can impart the following information in his own language:

TERMS.

The purchaser may pay for these Bonds in twenty equal annual instalments, or in fifteen instalments if preferred. The price of the Bonds, in consequence of the assurance feature, varies according to the age of the purchaser.

The price to the purchaser who is young is less than to the purchaser who is old; but the cost is moderate in any case, especially when we consider all the *incidental* advantages, in addition to the fact that the investment is guarded by assurance, and that payment is not required in one lump sum.

For those who wish to provide a permanent investment for the support of wife or children or other dependents, the purchase may be made on a basis more economical than under the plan of paying for the bonds in a fixed number of instalments. This more economical method is to stipulate that the payment of instalments shall continue during the lifetime of the purchaser, but that they shall cease at his death, and that the bonds (fully paid up) shall thereupon be delivered to the beneficiary. This plan is designed expressly for those who, able to continue to support those dependent upon them during their lifetime, wish to leave a capital for their support after the "bread winner" has been taken away. Not only does an investment in

Gold Bonds supply this capital, but it furnishes it in the form of an absolutely secure investment, yielding a guaranteed income of 5 per cent.

AS COLLATERAL SECURITY.

After three instalments have been paid, the EQUITABLE SOCIETY will make a Loan at 5 per cent. interest, which may be used by the purchaser to aid him in paying subsequent instalments. (The amount of the loan will depend on the number of instalments paid in each case.)

GUARANTEED SURRENDER VALUE WHILE INSTALMENTS ARE BEING PAID.

If the purchaser of these Bonds desires to withdraw, the transaction can be terminated and a surrender value obtained from the Society at any time after three instalments have been paid.

This value may be drawn in cash, but there are other methods of adjusting the transaction.

PROFITS.

These Bonds are *veritable* bonds, but the purchaser enjoys, in addition, some of the advantages of a *stock* investment without the ordinary risk. This unique characteristic calls for explanation: The business of the EQUITABLE SOCIETY is transacted on the "*mutual plan,*" in consideration of which the purchaser of one or more of these Gold Bonds *will share in the profits of the business.* That is to say, at the end of a stipulated period (either fifteen or twenty years) he will receive his full share of profits, according to his investment in bonds, as apportioned by the Actuaries of the Society. These profits will be in the shape of a cash dividend, which, when applied as an offset against the purchase price of the bonds *will reduce their cost,* thus enhancing their value without diminishing their security.

GUARANTEED MARKET VALUE.

If the purchaser, when these bonds are about to be issued, wishes to convert them into cash, the EQUITABLE SOCIETY guarantees that their market value shall not be less than 130 at their date of issue. Instead of delivering the bonds, the Society stands prepared to pay the purchaser their value in cash at the rate of 130. That is to say,—

For a single Bond whose par value is $1,000 the Society will pay $1,300 cash.

For a block of Bonds whose par value is $100,000 the Society will pay $130,000 cash.

For a block of Bonds whose par value is $200,000 the Society will pay $260,000 cash.

CHAPTER II.

GOLD BONDS.—(*Continued.*)

The agent can often succeed in opening a conversation, even with a perfect stranger, by saying: "*Would you be interested in making an investment that would give your wife, in the event of your death, an absolutely sure and guaranteed income of five per cent. for twenty years?*" Such a question is always interesting to any man who cares for his family, and it leads up to the discussion of the Gold Bond Contract in a very easy and interesting way.

One of our best agents says:

"I usually begin by demonstrating the absolute *safety* of the investment; then I illustrate the *convenience* of paying for it in small annual instalments; and finally, I show what additional value and protection is given to the investment by the *assurance.*"

"In offering these Bonds, I use precisely the same arguments that I would use in selling railroad bonds. And just here I want to make a suggestion: We often make the mistake of assuming that every *business* man we approach knows all about *financial* matters, whereas my experience is that half the people I encounter do not know the difference between a life assurance 'premium' and the 'premium' on the price of a railroad bond. This should be made clear to the uninitiated. For example: I see to it that my client understands that $10,000 of five per cent. gilt-edged railroad bonds cannot be bought in these times for $10,000. He must have a 'premium' of from $1,000 to $2,500 (according to the market price of the bonds) *to add to* that sum before he can buy them. Then I proceed to show that bonds

bought at such a price do not, of course, net 5 per cent. on the money invested (perhaps they will only net 3 per cent. or 3½ per cent., for the rate will depend not only on the *price* but the *length of time* the bonds have to run). The longer the bonds have to run the higher price they will bring if sold, because the higher will be the interest rate realized. If all this is understood the value of our Bonds will be seen, and the purchaser will value them either to keep, or because he knows that they will demand a premium if sold.

"Here is another point. If a man already owns railroad or other bonds which yield him an income, it may be suggested to him that by investing that income in one of our Bond Contracts he may greatly increase his estate at death, and increase in still greater proportion the income. For example, if he is less than 35 years of age, and holds $10,000 of bonds which yield 3½ per cent., he can with the income, buy $10,000 of our 5 per cent. Gold Bonds, thus doubling his estate at death and much more than doubling the income."

CHAPTER III.

GOLD BONDS.—(*Continued.*)

The most precious possession of a business man, or of a firm, or of a corporation is *surplus.*

In the winter of 1899, just before Christmas, there was a semi-panic in New York. Note the following, written at that time:

"The Trust Company, of this city, that closed its doors a few days before Christmas had millions of assets; so had the Boston bank, and the manufacturing companies, and the merchants and brokers who suspended payment at about the same time. What they lacked was *surplus.* Innumerable investors all over the country who had bought securities suffered from the same deficiency, when suddenly there was an unexpected drop in market values; and it is stated that during the week before Christmas, orders for Christmas presents aggregating hundreds of thousands of dollars were canceled at the shops in this and other cities by these people who were short of surplus.

"Surplus is the measure of the wealth and financial strength of individuals and of associations of individuals—such as the Equitable Society. And as the Equitable has the largest surplus, it is the best assurance company

to patronize; and as it offers investment securities, an agent should have little difficulty in selling them.

"Why?

"1. Because he can point to the Society's surplus.

"2. Because these bonds, unlike woolen underwear, or the stocks and bonds which many investors held last December, *cannot* shrink. At maturity they will certainly be paid. While they run there can be no reduction in the income on them. Five per cent. will certainly be paid every year. There can be no default or suspension.

"3. Because of the moderate price and the easy terms on which they can be bought.

"Show your client the value of a block of bonds in a case where death came prematurely. It will set him thinking, and before long he will ask you what $10,000 of bonds will cost *him*. If he prefers the Endowment form, you can tell him that the cost cannot be more than a certain sum, and that it will necessarily be less if he should die before all the instalments fall due, and will be less also if he survive the period, because of the dividend which will then be paid. Even if he should prefer a *life* contract, you can explain that under no circumstances can the cost be more than *so much a year;* and that is quite as definite a statement as a man could make about his rent or his butcher's bill. He can tell how much he spends *each year,* but he cannot tell for *how many years* he must continue to pay his necessary living expenses.

"But your client may say: 'The question of cost is a gamble after all.' Well, you can, for the sake of argument, admit that it *is* a gamble. It may aid you in selling your bonds. You will find few clients from whose composition the gambling instinct has been altogether eliminated; and you can reply: 'It's a *good* gamble, anyway. The investment cannot cost you more than I have stated, and *may* prove to be a *marvelous bargain.*' And if the investor should have twinges of conscience, you can remind him that absolute perfection is seldom attainable in human undertakings; that he must gamble in one way or another whether he wants to or not; and, if so, it is better that it should be an innocent form of gambling than a pernicious form; in short, that it is better that he should gamble a little about the *amount* which an investment made for the protection of his family shall cost, than that he should stake the hearts, the prosperity, the health, perhaps even the life itself, of his wife and children. For the man who does not protect his family against the accident of his premature death is a *gambler,* and if he loses, his widow and his orphan children must pay the stakes."

In this connection see Part II, of this book, Chapters XII, XIV and XV, all of which deal with Gold Bonds.

SUMMARY.

FIVE PER CENT. GOLD BOND.

THREE PER CENT. RESERVE.

Forms: Ordinary Life, 15 or 20 Year Period.
10 Payment Life, 15 or 20 Year Period.
15 Payment Life, 15 or 20 Year Period.
20 Payment Life, 20 Year Period.
10 Year Endowment, 10 Year Period.
15 Year Endowment, 15 Year Period.
20 Year Endowment, 20 Year Period.

The purchaser of a Gold Bond, instead of receiving a policy, receives a "*Contract of Sale.*" This *Contract of Sale* provides that he shall pay the price of the Bond in *instalments.*

Under the *Contract of Sale* the investment is *protected by life assurance;* hence the instalments (or premiums) vary according to the age of the purchaser.

On the maturity of the *Contract of Sale* the Society delivers the Gold Bond (or bonds). Each Bond runs for 20 years from the 1st of January, or the 1st of July, next succeeding its date of issue. At the end of the twenty years the Bond matures and is paid in gold.

The Bond may be either registered or coupon. If a coupon bond, it has 40 coupons, payable as they come due, on January 1 and July 1 of each year.

N. B.—An extra coupon is added to provide for the payment of interest during any period of months or days between the issue of the Bond and the first regular interest date.

GUARANTEES AND PRIVILEGES.

Under the *Contract of Sale* various privileges are secured to the Purchaser; and loans and surrender values in cash, automatic paid-up assurance, and extended assurance are guaranteed.

DIVIDENDS.

The Contract has an ACCUMULATION PERIOD of 10, 15

or 20 years, and at the end of the period the purchaser receives his full share of surplus-profits as determined by the Actuaries, *thus reducing the cost price of the Bond.*

VARIOUS FORMS.

If the assurance granted under the *Contract of Sale* is based on the *Ordinary Life* form, then instalments must be paid until the purchaser dies, whereupon the *Contract of Sale* matures and the Bond will be issued, *unless the beneficiary prefers to cash the transaction,* in which case the Society will pay $1,300 for each $1,000 Bond. (Of course, if the beneficiary prefers the cash to the Bond, the Society will not go to the expense and labor of actually *issuing* the Bond, but will pay the cash in lieu thereof.)

If the *Contract* is based on the *Limited Payment Life* form, then the instalments will cease after the stipulated number have been paid, but the *Contract* will not mature and the Bond will not be delivered until the death of the purchaser.

If the *Contract* is based on the *Endowment* form, then at the end of the Endowment period the *Contract* will mature and the Bond will be delivered to the purchaser himself; but if the purchaser should die before the expiration of the Endowment period, the contract will mature at once in consequence of his death, and the Bond will, thereupon, be delivered.

LOANS.

Loans may be obtained *during,* instead of *at the end of* any year, if the full premium for the year has been paid. Loans are subject to the payment in advance of interest at 5 per cent. If the Society has made a loan, and the loan has not been paid off when the *Contract* matures, the loan must then be paid with any interest that may be due. Otherwise the amount of the Bond delivered will be *less* the amount of the purchaser's indebtedness to the Society.

IN CASE OF SURRENDER.

If the *Contract of Sale* is surrendered before its maturity for *cash,* then, of course, the purchaser ***also surrenders all title to the Bond;*** or if the contract be surrendered for ***paid-up life*** or ***endowment assurance,*** the assurance takes the place of the Bond, and all claim to the Bond is necessarily relinquished; but if the extended term assurance option is taken and death occurs before the term runs out, the beneficiary will receive either the Bond ($1,000) or its equivalent value in cash ($1,300).

HOW BONDS ARE ISSUED.

Note that ***coupon*** bonds can only be issued in the denomination of $1,000. Any odd amount above or below $1,000, or a multiple of $1,000, must be issued in the form of a ***registered*** bond. While the Society will always be ready, subject to its rules, to issue coupon bonds, if preferred, it is well to remember that registered bonds are more compact, are equally valuable, and are more secure. It is safer and more convenient also for the owner to receive his interest direct from the Society in the form of a check under a registered bond than to have the trouble and risk of coupons.

Note particularly that the price which the Society is prepared to pay for its new issue of Bonds is more than it will pay on its old form of Bonds, whether already issued or to be issued when Contracts now running shall mature. This is because the ***premium*** on the old contract, based on the 3½ per cent. standard, is *lower.* The new *Contract of Sale* is based on the 3 per cent. standard; hence the premium is higher, and the price the Society will pay for the new bonds is higher.

CHAPTER IV.

THE ENDOWMENT BOND.

There are a great many people, nowadays, who can be satisfied only with *guarantees;* and if the guarantees are numerous enough and substantial enough, they can be satisfied much more readily than if the chief value of the contract depends on a *future dividend,* whose amount cannot be stated in advance.

In such cases, even if a cheaper policy is finally selected, the Endowment Bond is an excellent contract for the agent *to begin with.* The guarantees are larger and more numerous than under any other contract. The guaranteed loans and surrender values are large, and begin at the end of the third year. The guarantee that in the event of death the return *may be more* but can under no circumstances *be less* than the premiums paid with compound interest at 4 per cent., is in itself a most attractive feature. The guarantee of the face of the Bond in cash at the end of twenty years is definite and exact. The fact that (although the *amount* of the surplus profits cannot be stated in advance) the Actuaries will credit the bond with its *full share* of surplus adds to the attractiveness of the investment.

In reciting the guarantees under this contract, it is of course perfectly legitimate to refer to *all* the pro-

visions of the contract as *guarantees.* Immediate payment is guaranteed. The incontestable clause is a most important guarantee. The options are guaranteed. Finally, the fact that these guarantees are backed by a surplus larger than that of any other company rounds out this line of argument in handsome shape.

Everyone knows that United States Government bonds cannot be bought at the present time on a basis that will pay the purchaser as much as 3 per cent., while the Endowment Bond, which is practically as safe as a Government Bond, guarantees the purchaser, *as a minimum,* 4 per cent. compound interest in case of death at any time within twenty years. On the other hand, if the Bond is in force at the end of twenty years, it then matures and the profits then apportioned are paid to the investor in addition to the face of the Bond.

The argument in the leaflet entitled "*Better than a Government Bond*" can be applied to the Endowment Bond also. The young man who cannot plank down $10,000 can, nevertheless, acquire at once a *capital* of $10,000 by depositing a few hundred dollars *annually;* and if he should die before all the instalments have been paid, the result is quite as favorable to his estate as if he had lived to pay them all.

It is easy after enlarging upon the Endowment Bond to fall back upon some form of "life" contract, if the premium on an Endowment Bond is too high, for it is always easier to work down to a cheaper policy than to work up to a more expensive one.

S U M M A R Y.

THE ENDOWMENT BOND,

WITH GUARANTEED CASH VALUES.

THREE PER CENT. RESERVE.

(WITH PROFITS—DEFERRED DIVIDEND POLICY.)

Forms: 20-Year Endowment, 20-Year Period.
15-Year Endowment, 15-Year Period.

This Bond must not be confused with Bonds previously issued under the *same name.* It is superior to older forms in the following respects:

1. No Bond heretofore issued has Guaranteed Cash Values during the Accumulation Period.

2. Under no Bond previously issued has the Society agreed to make loans after 3 years.
Note that the assurance part of the contract in this Bond provides for the payment of the face, as an endowment, at maturity.

3. In case of death during the period, the return to the Beneficiary *may be more, but can never be less* than the sum of the tabular premiums paid, compounded annually at 4 per cent. interest. In other words, it is stipulated in the contract that if all the tabular premiums compounded at 4 per cent. exceed the face of the Bond, the *excess* shall be added to the Bond and paid therewith.
This important guarantee answers the objection sometimes raised that the return in the event of premature death under a Deferred Dividend Policy or Bond is less than under a Policy granting annual dividends.

4. There are a greater variety of options than have been offered under any other form of Bond.

5. Grace is granted in the payment of premiums, as is also the privilege of changing the beneficiary.

6. The Extended Assurance feature is also incorporated in this Bond.

Important Note

REGARDING EXTENDED ASSURANCE.

If the Extended Assurance Value is selected this assurance will be for the Principal of the Bond only, and will not carry with it the feature explained above.

Where the Extended Assurance Value is selected and the Policy is extended as life assurance until the end of the endowment period, the assurance then ceases, and the Assured can draw in cash the amount of the pure endowment stated in the Policy.

Guaranteed Values

Note that although the premiums differ, the Guaranteed Cash, Loan, and Paid-up Values are identically the same as in the case of the Guaranteed Cash Value 20-Year Endowment Policy with 20-Year Period, and as in the case of the 15-Year Guaranteed Cash Value Endowment Policy with 15-Year Period.

CHAPTER V.

THE GUARANTEED CASH-VALUE POLICY.

It would have been quite proper to have begun this series of papers with a description of the New Guaranteed Cash Value Policy—that is to say, the Society's newest form, brought up to date, and containing all the newest attractions—for the assurance part of the Gold Bond contract belongs to the G. C. V. class, and the Endowment Bond is a G. C. V. Endowment Policy, with certain special advantages added in consideration of the higher premium charged.

The reason, then, for dealing with the Bonds first is because they are more attractive to the investor than a simple policy of assurance; hence a bond contract is a good one for the agent to begin with. But to clearly understand the Gold Bond contract, and the Endowment Bond, the agent must familiarize himself with the G. C. V. *policy.* Moreover, all the most important contracts issued by the Society belong to the G. C. V. class; such, for example, as the Indemnity Policy, the Continuous Instalment Policy, etc.

This G. C. V. policy is especially attractive because a liberal cash value is guaranteed after the policy has become three years old, and because at the end of the Accumulation Period the assured has the privilege of with-

drawing the entire 3 per cent. reserve as a cash surrender value, even if the policy is issued on a "*life*" form. Hence the name given to this contract. But it must not be forgotten that there are many other equally important guarantees, such as a surrender value in paid-up assurance, and the guarantee of a full share of surplus as computed by the Actuaries at the end of the accumulation period. The Society also guarantees a loan at 5 per cent. after the third year for an amount depending upon the size and character of the policy and its age. Actuaries and other competent judges have predicted that these guaranteed values instead of stimulating the surrender of policies will influence the assured to hold fast to their assurance, first because they know that the assurance has a definite guaranteed surrender value, and second, because a glance at the table will show them that this value is constantly growing larger as the policy grows older. It is to be hoped that experience will prove the truth of this prediction.

For further particulars agents are referred to the pamphlets describing the G. C. V. policy in all its details.

S U M M A R Y.

NEW GUARANTEED CASH-VALUE POLICY.

THREE PER CENT. RESERVE.

(WITH PROFITS—A DEFERRED DIVIDEND POLICY.)

Forms: Life, 15 or 20 Year Period.
10 Payment Life, 15 or 20 Year Period.
15 Payment Life, 15 or 20 Year Period.
20 Payment Life, 20 Year Period.
10 Year Endowment, 10 Year Period.
15 Year Endowment, 15 Year Period.
10 Payment, 20 Year Endowment, 20 Year Period.
20 Year Endowment, 20 Year Period.
25 Year Endowment, 20 Year Period.
30 Year Endowment, 20 Year Period.

This has become the Society's standard policy. It participates in Surplus apportionment at the end of a deferred dividend period, but not prior thereto.

FEATURES OF THIS NEW FORM.

The following privileges have been included in this contract:

1. Automatic Surrender Values in Paid-up Assurance, which take effect without action on the part of the Assured; but if the policy becomes automatically Paid-up, the Assured can at any time secure the Cash Value instead.

2. A Value in Extended Term Assurance is incorporated in the policy. (See policy for conditions.)

3. The entire 3 per cent. Reserve is guaranteed in Cash as a Surrender Value after the 10th year.

DIVIDEND ACCUMULATION.

The advantages of the deferred dividend policy need no demonstration here, but it may be pointed out that the ultimate cost of assurance is minimized by the Accumulation system of paying dividends. The Cash settlements on the Society's 20 Year policies now maturing represent the Accumulation at a high rate of compound interest of the excess of premiums over the cost of as-

surance as determined by the Society's experience. The 20 Year Endowment returns show naturally the highest percentage of profits because of the greater gains resulting from the higher premiums.

SURPLUS APPORTIONMENT.

At the end of the Accumulation Period a *Cash Dividend* is declared, consisting of the policy's full share of Surplus Profits, as determined by the Actuaries of the Society, and several options are then given to the assured, from which to select a settlement. An Ordinary Life Policy is thus given one of the chief advantages of an Endowment, or of a Limited Payment Life Policy, if the Cash Value in the former case or Paid-up Assurance in the latter case is selected; although the amounts will, of course, be smaller than if the Endowment or Limited Payment premiums had been paid.

GUARANTEES.

The Loan, Cash and Automatic Paid-up Assurance Values, and the Extended Term Assurance Periods are written in all the forms of this policy, and commence with the end of the third assurance year.

The Extended Term Assurance is conditioned upon the selection of the option within thirty days, or, with satisfactory evidence of good health, within one year. The policy may be reinstated at any time after lapse, on proof of good health, and payment of overdue premiums and any indebtedness to the Society, with 5 per cent. interest per annum.

A grace of thirty days is provided in the payment of all premiums after the policy has actually gone into force.

Loans may be obtained *during,* instead of *at the end of,* the respective years, if the full premium for the year has been paid. Such loans are subject to the payment of interest at the rate of 5 per cent. in advance.

ANNUITY AND INSTALMENT OPTIONS.

The Assured may require the Society to make payment to the Beneficiary, either in a Life Annuity or in Equal Annual Instalments for a given number of years. If the Instalment method is selected, the number of instalments chosen may at any time be changed by the Assured, who may also either grant or withhold the

privilege of commutation. The first instalment will be paid upon maturity of the policy, and subsequent instalments annually thereafter, on the basis of the following table, which shows the Instalment Values for each One Thousand Dollars of original Single Sum Assurance:

	$1,060.00 in	5	Annual	Instalments	of	$212.00	each.
or	1,138.20 in	10	"	"	"	113.82	"
or	1,219.95 in	15	"	"	"	81.33	"
or	1,305.20 in	20	"	"	"	65.26	"
or	1,394.00 in	25	"	"	"	55.76	"
or	1,485.90 in	30	"	"	"	49.53	"
or	1,680.00 in	40	"	"	"	42.00	"
or	1,886.50 in	50	"	"	"	37.73	"

CONTROL OF POLICY.

The right to change the Beneficiary at any time is reserved to the Assured, who thus retains the entire control of the Policy, provided it is not then assigned.

WAR SERVICE SIMPLIFIED.

By the simple act of mailing to the Society a registered letter, the Assured becomes a member of the Society's Yearly War Class, and may at once engage in War Service, under conditions explained in Policy.

RETURN OF PREMIUMS.

Guaranteed Cash Value Policies may be issued with the Society's guarantee to return all tabular premiums received, in addition to the face of the Policy, if death occurs during a Deferred Dividend Period of fifteen or twenty years. The premium rates are necessarily somewhat higher upon these forms of contract than on ordinary plans.

EXTENDED ASSURANCE ON THE ENDOWMENT FORM.

If an Endowment, after being in force for a number of years, is surrendered for Extended Assurance, the policy will be extended for a period indicated in the tables of Surrender Values. If this period extends to the end of the Endowment period the assurance will cease at the end of the period, and the assured, if living, can draw in cash the amount stipulated in the last column of the tables. If the Extended Period ends before the termination of the Endowment Period, the assurance ceases, and no cash will be paid.

CHAPTER VI.

THE INDEMNITY POLICY.

The Indemnity Policy is a G. C. V. contract, and embodies all the guarantees and advantages of the G. C. V. Policy; and in consideration of a slight increase in the premium rate, a mortuary dividend of 25 per cent. of all tabular premiums paid is guaranteed *in the event of the death of the assured before the completion of the Accumulation Period.* For example, the annual premium for $1,000, at age 35, is $28.86. If such a policy is issued with an accumulation period of twenty years, and if the assured should die during the tenth year he will have paid $288.60, and the beneficiary will receive, in addition to the $1,000 of assurance, a dividend of $72.15, or one-quarter of the amount paid in premiums. If death should occur during the twentieth year the assured will have paid $577.20 in premiums, and the beneficiary will receive $1,000, together with a dividend of $144.30. But if the assured is living at the *end* of the period the promise to pay this mortuary dividend of 25 per cent. will expire, and in lieu thereof the assured will receive his full share of surplus profits as computed by the Actuaries.

The Indemnity Policy is one of the best contracts to meet competition with companies that advocate annual

dividends. Under the Indemnity Policy a dividend is *certain* whether life is long or short; and the mortuary dividend guaranteed during the accumulation period is a definite amount, namely, 25 per cent. of the premiums paid; whereas the policy's share of surplus, if in force at the end of the period, is likely to be considerably more than the sum of the dividends which would have been paid if the policy had been issued on the Annual Dividend form.

If a customer is attracted by the Indemnity form of policy because of its 25 per cent. dividend during the accumulation period, let the agent remember that the 20 Year Endowment Bond has equivalent advantages, and is likely to prove more attractive in most cases than the Indemnity, if the *Endowment* form is desired. Of course, if a man wishes an Ordinary Life or a Limited Payment Life Policy with a mortuary dividend, he must take an Indemnity Policy, because the Endowment Bond, as its name indicates, is necessarily an Endowment contract and could not be issued on the Life form.

SUMMARY.

INDEMNITY POLICY.

THREE PER CENT. RESERVE.

This policy has all the Privileges of the new G. C. V. contracts, and in addition thereto A RETURN OF 25 PER CENT. OF ALL TABULAR PREMIUMS paid if death occurs during the accumulation period, provided payment of premiums is continued until the date of such death.

The Guaranteed Loan and Surrender Values in Cash, Paid-up or Extended Assurance, and the Dividend, the total Cash Value and the total Paid-up Value, will be the same as under a New Guaranteed Cash Value Policy of similar period and age.

CHAPTER VII.

INSTALMENT ASSURANCE.

The man who leaves his family at his death a capital sufficient for their support has not performed his whole duty. Many a family left with an ample capital have lost it in whole or in part because of their lack of business experience, or because they have taken bad advice, or because they have spent it instead of investing it and living on its *income*. A man may assure his life for an amount sufficient to supply all the needs of those dependent on him, but if that assurance is paid in one lump sum the money is often wasted or lost by an ignorant wife, or a youthful daughter, or a spendthrift son. This danger may be avoided if the policy is made payable in equal annual *instalments;* and most of the policies issued by the Equitable may be paid in instalments if the assured so elect. He can have the contract so drawn, moreover, that the beneficiary shall be *forced* to draw the money in instalments and in no other way; or he can leave it optional with the beneficiary to draw the money in instalments or to commute the instalments either at the beginning or later on, and thus receive the total amount due in one lump sum.

The advantage of the instalment settlement is two-fold. It prevents waste or loss, as already explained, and in

addition, the amount paid will be considerably more than would be the case if the amount due were paid in one lump sum in advance; the *increase* in the total depending on the *number* of instalments selected. A $10,000 policy, for example, payable in 10 annual instalments would amount to $11,382 *(i.e.,* ten instalments of $1,-138.20 each), whereas a $10,000 policy payable in fifty instalments would amount to $18,865 *(i.e.,* fifty instalments of $377.30 each). The following table shows the values of one thousand dollars payable in instalments:

	$1,138.20	in 10	Annual	Instalments	of	$113.82	each
or	1,219.95	in 15	"	"	"	81.33	"
or	1,305.20	in 20	"	"	"	65.26	"
or	1,394.00	in 25	"	"	"	55.76	"
or	1,485.90	in 30	"	"	"	49.53	"
or	1,680.00	in 40	"	"	"	42.00	"
or	1,886.50	in 50	"	"	"	37.73	"

There is one fact regarding an ordinary policy payable in instalments which deserves the special attention of the agent, and that is that when the *final* instalment has been paid the transaction is closed. Now, the agent will often find a customer who will say: "My wife, or daughter, for whom I wish to provide may outlive her expectation, and if I take a policy payable in twenty instalments and she should live for twenty-five or thirty years after my death, her income will be cut off during the last five or ten years of her life." To meet this objection the Society issues a special form of policy payable in twenty instalments, under which it is stipulated that in consideration of an appropriate increase in premium the instalments

shall continue ***after the twenty payments, during the life-time of the beneficiary.*** In other words, twenty instalments are guaranteed in any case, but if life continues, the contract becomes a life annuity, and the instalments continue until death intervenes. This policy is called the Continuous Instalment Policy, and is described in the following chapter.

CHAPTER VIII.

THE CONTINUOUS INSTALMENT POLICY.

There are many people who, if properly approached, can be interested *at once* in the Continuous Instalment Policy. It is an eminently sound contract. It is a good contract to *talk*, even if you end by selling some other form. Its chief strength is in the fact that it guarantees *absolute lifelong* support to the beneficiary, even if he or she should live to be as old as Methuselah. The income which it provides cannot be diverted from its legitimate object. It cannot be wasted, or stolen, or lost. It is *unshrinkable*. It *must* be paid, and *will* be paid as certainly, and as regularly, as one year succeeds another.

As the policy will be paid in instalments, the premium rate is moderate, considering the aggregate amount of the assurance *and considering the fact that the instalments will continue if life extends beyond the regular instalment period.*

It is an excellent policy for a capitalist who wishes to make a fixed and distinct provision for each one of his children or grandchildren. It is an excellent way for a man to provide for some distant relative or other dependent whom he wishes to support without infringing upon the capital which he wishes to leave intact to his direct heirs. I can illustrate this by an experience of my own.

A friend of mine left a sum of money to me in trust at his death for the support of a young woman who had been his wife's maid. The sum was not large, but the investment of it, and the responsibility of employing it in accordance with what I believed to be the intention of the donor, has been difficult. At times I have been embarrassed between what I have believed to be the wishes of the donor and the desires of the beneficiary. In addition to this, the sum thus set aside reduced the amount of my uncle's estate and lessened to that extent the receipts of his direct heirs. Every agent of the Equitable will see at a glance how much more economically and effectively this provision could have been made if my uncle could have taken a Continuous Instalment Policy.

Every good agent, I suppose, learns in advance all he can about the man he intends to solicit for assurance. To sell the Continuous Instalment Policy this is *essential,* unless you are willing to waste a great deal of time "barking up the wrong tree."

Before soliciting a man to assure, find out all you can, not only about himself, his business, and his financial situation, but how many children he has; whether boys or girls; what their ages are; what sort of a wife he has, and whether there are any persons dependent on him who are not members of his immediate family. If you find that a man is unmarried, seek to discover if he is helping financially some one who would suffer in the event of his death.

Try to put yourself in the position of the family phy-

sician who has felt his patient's pulse, listened to his heart, looked at his tongue, taken his temperature, etc., and who can therefore write a prescription that will fit the case.

Many agents tire a man out before they get down to business; or so confuse his mind by talking in the air, that no distinct impression is made on his mind, and no influence is exerted on his will. The successful agent is the one who offers the right policy to the right man in such a way that he sees instantly that it is appropriate to his own particular circumstances and needs, in which case he will often be prepared to sign the application almost before he is asked to do so.

Let me illustrate. Assume that I have learned that Mr. Brown is 42 years of age, does business with the First National Bank of his town (the strongest corporation with which he has direct dealings), has a good income but no capital, and that his only dependent is a daughter 18 years of age. With this information, I say to Mr. Brown, " Would you be willing to invest $696.00 with the First National Bank, if such an investment would yield after your death a certain income of $1,000 a year, payable to your daughter for life?" If Mr. Brown has been trying to lay up capital for the protection of his daughter, and like ninety-nine men out of a hundred similarly situated has not succeeded, he will be interested in such a question, and may be willing to make an appointment to look into the matter at leisure, giving me an opportunity of explaining that if he can spare this small

sum from his income this year he can easily spare the same amount next year, and that if he would be willing to invest this small amount annually with the First National Bank he will run no risk in investing it in "the strongest company in the world," and that if he does so invest it with the Equitable, taking a Continuous Instalment Policy, he can certainly provide for the future of his daughter without pinching himself in the effort of laying by enough money to yield an income sufficient for her support; an effort which would prove vain in the event of his early death.

You can interest a good many people in this policy by calling attention to the fact that the contract is, so to speak, an interchange of annuities. Take, for example, a policy for $20,000, issued to an applicant at age 42 for the benefit of a person whose age is 18. Such a policy, 20 A. P. form, will require the payment of a premium, or annuity, of $876.60, which annuity will necessarily cease after twenty premiums, or $17,532 have been paid. Now the annuity, which will be paid by the Society, on the other hand, is not only a larger amount, $1,000, but must necessarily be paid during a period of twenty years, making a total of $20,000, and if the beneficiary survives that period the amount will be increased by $1,000 for each year of such survival.

SUMMARY.

CONTINUOUS INSTALMENT POLICY,

WITH GUARANTEED VALUES.

THREE PER CENT. RESERVE.

(WITH PROFITS—A DEFERRED DIVIDEND POLICY.)

Forms: Ordinary Life, 15 or 20 Year Period.
10 Payment Life, 15 or 20 Year Period.
15 Payment Life, 15 or 20 Year Period.
20 Payment Life, 20 Year Period.

This Policy provides that at the death of the Assured the Society will issue an ANNUITY BOND guaranteeing the payment of the amount of the assurance in twenty equal annual Instalments, and also providing that like Instalments will be paid every year as long as the Beneficiary lives, no matter how long that may be.

THE PREMIUM RATE.

The premium rate depends on the *age of the Beneficiary* as well as on the age of the Assured, but the *Beneficiary* is not required to pass a medical examination.

REDUCTION OF PREMIUM IN CASE OF DEATH, OR CHANGE OF BENEFICIARY.

If Beneficiary dies before the Assured, or upon substitution of a new Beneficiary for the one originally named in the Policy, the premium will be reduced as stated in the policy.

CHANGE OF BENEFICIARY.

The privilege of changing the Beneficiary is granted under this Policy—*but*—if this privilege is exercised the Instalments will be paid for twenty years only and not during the life of the new Beneficiary, but, as stated in the foregoing paragraph, the premium will be reduced.

PAYMENT OF INSTALMENTS IN CASE OF DEATH OF BENEFICIARY.

If the *Beneficiary should die* before the *Assured,* the twenty Instalments will be paid to the executors, administrators or assigns of the *Assured.*

If the *Beneficiary outlives the Assured,* but dies before the end of the twenty year period, the remaining Instalments will be paid to the executors or administrators of the Beneficiary.

OPTIONS AND SURPLUS.

At the end of the Accumulation Period the Policy may be surrendered by the Assured for the entire Reserve in cash, and the Assured is given, at that time, the choice of the usual OPTIONS.

At the end of the Accumulation Period, Surplus will be apportioned to the Policy in addition to its Guaranteed Value.

PAID-UP OPTION.

When the Paid-up Option is selected at the end of the Accumulation Period, and the Paid-up Assurance exceeds the amount at risk under the original Policy, the Policy-holder may take a Paid-up Policy for the amount at risk under the original Policy, and draw the cash value of the excess; or, the Paid-up Policy may be issued to include this excess, subject to a satisfactory medical examination and the Society's approval of the risk.

SURRENDER VALUES.

The Continuous Instalment Policy grants Loans and Guaranteed Values in Cash, Paid-up Assurance or Extended Assurance, increasing annually from the third year. The amounts will be stated in the Policy.

AUTOMATIC PAID-UP VALUE.

The Surrender value in Paid-up Assurance is *automatic,* and if no action is taken by the Assured the Assurance will immediately go into effect. But:

If the Policy becomes automatically paid-up, the Assured can, at any time, surrender it for its cash value.

CHAPTER IX.

JOINT-LIFE ASSURANCE.

Joint-life assurance is an excellent thing. But a Joint-Life *policy* is almost an obsolete contract. Nevertheless, Joint Life premium rates are included in the Society's book of tables (in case any old-fashioned people prefer that form of assurance), but a single policy covering two lives is cumbersome, and the premium varies widely according to the different ages of the two participants. It is far better to take an independent policy on each individual life. Consider the case of a husband and wife, for example. Instead of taking one policy covering both lives, it is better for the husband to assure his life for the benefit of the wife, and for the wife to assure her life for the benefit of the husband. It is the same in the case of a partnership. If there are three partners, a policy for the benefit of the firm should be issued on the life of each individual member, the firm paying the premiums on all three policies. Then if the firm is dissolved, a settlement can be made under which each member can gain possession of his own policy.

For the arguments in favor of this form of assurance, the reader is referred to the pamphlet on Partnership Assurance and to the pamphlet entitled *Joint Life Assurance.*

SUMMARY.

JOINT-LIFE POLICY.

GUARANTEED CASH VALUE POLICY.

THREE PER CENT. RESERVE.

(WITH PROFITS—A DEFERRED DIVIDEND POLICY.)

Two policies (one on each of two lives) are preferable to a single Joint-Life Policy on two lives. However, the Society is willing to issue Joint-Life Assurance, and tables are issued which give the premium rates and guaranteed cash values for such policies, depending on two lives and issued on the Ordinary Joint-Life Guaranteed Cash-Value plan, with accumulation periods of 15 or 20 years. The loan values under these policies are the same as the cash values. Note that the paid-up values will not be written in the policy.

Ages under 25 are taken at the age of 25 only.

CHAPTER X.

TERM ASSURANCE.

A fire policy is a term policy. It runs for a stipulated term of months or years and then becomes *extinct.* If you insure your house for a year and fail to renew the insurance at the end of the year, and a few days later your house burns to the ground, your loss will be absolute and irreparable. A fire policy cannot be issued like a life policy, to run as long as the building stands and to mature as soon as it burns down, because it may never burn down. But the converse is not true. A life policy may be issued for a term of years, and if death occurs during the term, the policy will be paid. Whereas, if the assured is living at the end of the term, the policy expires and the assurance becomes extinct. Such a transaction is altogether *legitimate,* but it is seldom *desirable,* for this reason—every man *must* die sooner or later, and every policy that is not a term policy, if kept in force, *must* mature some day. Hence it is far better, in the vast majority of cases, for a man who wishes the protection of life assurance during a temporary period to take a regular Life or Endowment Policy; for after the temporary risk is over, the policy will continue to be a valuable investment, and even if it never yields a return

to the assured himself, will inevitably enhance the value of his estate.

In the heat of competition the principal companies have all inserted in most of their policies a clause giving the assured the choice of surrendering his policy for cash or paid-up assurance, or of continuing it for its full amount, for a short term, after which, if he is living, the contract will become extinct. Now, if a man is forced to surrender a running policy issued by any solvent and properly managed company, let him think twice before he selects a settlement on the basis of extended term assurance. It is a method of settlement which is alluring to the uninitiated, but in ninety-nine cases out of a hundred it is disappointing in the long run; and if a man must abandon his policy, it is usually infinitely better for him to surrender it for paid-up assurance, or even for its value in cash.

There is, however, a form of term policy which is not open to all the objections that apply to ordinary term assurance, and that is for the very good reason that it is a term policy which *can be renewed.* Moreover, if issued by the Equitable, it may at any time be exchanged for any one of the Society's permanent contracts of assurance. This policy will be dealt with in the next chapter.

CHAPTER XI.

THE YEARLY RENEWABLE TERM POLICY.

Use the Renewable Term Policy to capture a man who is ***undecided,*** or who wants to wait until he can afford to apply for a ***large*** policy.

Show him the clause on page 270 of your Blue Book, which begins: *"A renewable term policy may be exchanged at any time, without medical examination,"* etc.

If you can induce him to take such a policy you can keep him on the string, and before the end of the year, or at least at an early period, may convince him that it is to his interest to exchange it for a participating policy with guarantees and options.

No intelligent agent, I am sure, ever advocates the wholesale issuance of assurance on the Renewable Term plan, but every agent does well to remember that he has this form of contract (issued by the strongest company in the world) ***in reserve.***

It may often be used as a stepping stone to carry the applicant dry-shod over the assessment swamp so as to land him safely on the solid ground of G. C. V. Assurance. When an applicant talks about the cheapness of assessment assurance, open your Blue Book at the Yearly Renewable Term table. If he is a young man, by placing a sheet of paper over the lower part of the table, you

can show him that at his age the Equitable will assure him at a very low premium. Then removing the sheet of paper, call his attention to the fact that the premium *increases* from year to year. Then explain that this is the only scientific basis on which a man can obtain life assurance at anything like cost price from the beginning. Explain to him that the premium charged at age 21 grants him assurance practically at cost price, and that this being so, the cost of the assurance at an older age is *necessarily* higher; that assessment assurance is (not to put too fine a point on it) really a *confidence game;* that men ignorant of the science of life assurance are deluded into the belief that if they assure at a net rate at age 21 the company will be able to continue to assure them at the same cost after they get to be 50 or 60, when their expectation of life will be much shorter. Explain that all this is *covered up* in an assessment contract, and in the documents issued by assessment companies. You can make it clear to the average business man by illustrations of this kind that, under the assessment plan, one of three things is inevitable; (1) either an adequate premium must be charged from the start, and if so, the assurance is placed on a legitimate basis, and if it is thus brought up to a legitimate basis the rate will be as high as in a regular company, and it is certainly better to take it from a substantial company with an adequate reserve and surplus, which is able to guarantee its contracts, instead of with a concern which may not be able to carry out even legitimate contracts because it is loaded down

with old obligations taken on a false basis; or (2) the lower the premium in the beginning the higher it will necessarily become in the end: the deficiency in the beginning *must* be compensated for later on; or (3) if the concern stands by its *early* promises *and fails to increase its assessments,* the organization itself *will as certainly fail* as that two and two do *not* make six."

SUMMARY.

YEARLY RENEWABLE TERM POLICIES.

The premiums on yearly renewable term policies are adjusted to the cost of assurance during each year separately, and hence must necessarily increase yearly with advancing age. For instance, on a policy issued at age 35 for $10,000 the premium would be as follows:

First year,	. . . .	Age 35,	$134.20
Second "	. . . .	" 36,	136.30
Third "	. . . .	" 37,	138.50

etc., etc., etc.

The assurance is for the whole of life, or as long as shall be desired, and no medical re-examination will be required in renewing from year to year except in case of lapse of policy. The premium increases each year until the age of 65 is attained, when the full ordinary life rate at that age must be paid, less any dividend that may then be apportioned by the Society on the expiration of the Renewable Term Policy.

A Renewable Term Policy may be exchanged at any time while in force, upon the simple request of the assured without medical examination, for any other form of policy then issued by the Society, providing that the amount assured be no more than in the old policy then given up. In case of such change, the first premium on the new policy may be lessened by any dividend which may then be apportioned by the Society upon the Renewable Term Policy then surrendered.

A Renewable Term Policy has no surrender value, and no dividend will be declared except in case of changing to another form of policy as explained above.

CHAPTER XII.

ANNUITIES.

There are many men in the community who have laid by capital, sufficient as they have heretofore believed, for the future protection of their families, but who now are apprehensive because they realize that if they are taken away, an amount of capital which a few years ago would have yielded an adequate income *may now be insufficient for the comfortable support of their families.*

Such men, if properly approached, can easily be interested in Annuities.

No form of investment, when made with such a company as the Equitable, offers more lasting stability. Remember that there can be no shrinkage in the income from an Annuity. Wealthy men and others are now turning their attention more than ever before to Annuities—not necessarily to ordinary Annuities, but to Survivorship Annuities *(which are well worth careful study);* or to Deferred Annuities, to begin after a term of years under which the income in some cases will be fifteen, or twenty, or twenty-five per cent. or more. Or to a Joint-Life Annuity to provide for a husband and wife, or a father and daughter. Or to an Immediate or Deferred Annuity payable to the investor as long as he lives, but based on the life of the wife or daughter, who will continue to re-

ceive the income after the investor's death if she should outlive him.

There are a great many variations of Annuity contracts which adapt themselves to the different circumstances of different people. Take the case, for example, of a man who has a wife but no children, who applies to the Equitable for a policy. We refuse to accept the risk. Why should that client be lost because he is not an acceptable risk, if his sole object is to protect his wife in the event of his death? Why not induce him to invest in an Annuity based on the wife's life, the same Annuity to be paid for in annual premiums during a period of ten, fifteen or twenty years? Take an illustration. Suppose a man 43 years of age applies for a 20-Payment Life Policy in favor of his wife, 40 years old, for, say, $15,000, premium $690.60; total cost if he lives during the period, $13,812. Such a policy, would yield $15,000, which invested at 4 per cent. would give the widow an income of $600. Now, let us assume that in this case the Equitable *refuses to accept the risk.* Don't let that discourage you. Why not say to such a man: "In applying for this policy you acknowledge that you can afford to pay an annual premium of at least $500. Now, if you will pay the Equitable $500 in advance, the Society will issue a contract (without any medical examination) based on the life of your wife, for whose benefit you make the investment. This amount will purchase an Annuity of $27.44. At the end of the first year you must pay a second premium of $500, *less the Annuity bought*

with the first payment, making your ***net*** payment $472.56. This second payment will purchase an additional Annuity of $27.81, which added to the first Annuity makes $55.25. Consequently, when your third premium of $500 falls due, it will be reduced by $55.25, and you will only have to pay a net premium of $444.75.

Here is the computation in tabular form carried out to the end of the period:

COMPOUND ANNUITY TABLE.

ON FEMALE LIFE. AGE 40.

YEAR.	PREMIUM.	ANNUITY.	TOTAL ANNUITY.
1	$500.00	$27.44	$27.44
2	472.56	27.81	55.25
3	444.75	28.18	83.43
4	416.57	28.60	112.03
5	387.97	29.03	141.06
6	358.94	29.51	170.57
7	329.43	30.01	200.58
8	299.42	30.54	231.12
9	268.88	31.11	262.23
10	237.77	31.72	293.95
11	206.05	32.38	326.33
12	173.67	33.09	359.42
13	140.58	33.83	393.25
14	106.75	34.62	427.87
15	72.13	35.48	463.35
16	36.65	36.39	499.74
17	.26	37.37	537.11
	INCOME.		
18	37.11	38.43	575.54
19	75.54	39.55	615.09
20	115.09	40.75	655.84

Total gross payments...........................	$10,000.00
Reduced by Annuities in nineteen years of......	5,775.36
Making net payments of........................	$4,224.64
Subsequent Annuity to wife for life............	655.84

"You will see from the above table that the premiums steadily decrease from year to year until after a time the sum of the small Annuities exceeds the premiums, and instead of having any premium to pay, the investor will receive an *income*. At the end of the twenty years he will then have a paid-up Annuity of $655.84 a year, payable (if he so directs) to him as long as he lives and after that for life to his wife."

But perhaps you say the investor may object that possibly his wife may die first, in which case he would cease to gain any advantage from a contract based on her life. But the investor must remember that a similar difficulty presents itself in the case of a life policy which will never be of any personal advantage to him because it will never be paid until he is dead. But this is not all. The assumption in this instance is that his investment is made because the husband wishes to make provision for his wife in case he should be taken away and unable to support her. If, therefore, the wife dies first, he is at once relieved of the necessity of laying by money for her future support.

Or your client may object, "Suppose I should get tired of paying the premium before the end of the twenty years?" The answer is that he can stop at *any time* without penalty. If he stops after paying for eleven years, for example, the Society will from that time pay $326.33 as long as his wife lives.

Why then enter into any contract? Simply because it binds the Society to continue the transaction on its

present Annuity basis. ***Otherwise, if the Society should increase its Annuity rates later on, the cost to the investor might be increased.***

If he wants the Annuity to provide for his own old age, he must have it based on his own life. Or if he wishes to cover both lives, he may take two Annuities or a joint life survivorship Annuity. The opportunity to procure Annuities by making a limited number of payments would certainly be welcome, not only to declined risks who can secure regular assurance for their wives and children, but also to the large number of single men and women who do not need or will not take policies of assurance, and who must desire to provide an income for middle life and old age out of the savings of their productive years.

For explanations of all the various forms of Annuity contracts the reader is referred to other publications.

CHAPTER XIII.

THE DOUBLE ENDOWMENT.

In introducing this form, the *Double Endowment policy,* the officers of the Society did not expect that any large amount of business would ever be written upon it. It is, nevertheless, a very valuable contract for the Agent to have at hand.

In the first place, it is an excellent contract for healthy young men; for they are almost certain to win *the liberal cash reward* offered for *longevity* and *persistence.*

In the second place, it is an admirable contract for those men who are *conscious of vigorous health* and are willing to "gamble" on what they have a right to consider a reasonably certain venture, but where the company, through *lack* of information, or in consequence of *inaccurate* information, or from a *mistaken* feeling of doubt or timidity, hesitates to assume the risk on the ordinary basis.

In the third place, every Agent should use the Double Endowment as a *decoy* even if he should never employ it in any other way. But remember that such a decoy is not used for the purpose of *destroying* life, but for the purpose of *protecting* life. Remember also that the

huntsman does not *capture* the real ducks with his decoys. The usefulness of the decoy ends as soon as the real ducks are lured within range; and if the huntsman loses his gun, or runs out of powder and shot, his decoys are useless. If you use this form, therefore, simply as a decoy, you must be ready to *assure* your man on some other form. Now, every Agent knows many young men who take absolutely no interest in assurance, but who want to force themselves to save. The curiosity of such a man can be awakened through a Double Endowment G. C. V. Policy. A man who has just come of age, for example, can for a premium of $85.91 secure a twenty-year Endowment which will pay his estate $1,000 in the event of his premature death. But such a man has no right to expect to die prematurely. On the contrary, he *has every expectation* of outliving a period of twenty years. In that event under a Double Endowment he would receive not only the face of the policy ($1,000), but the policy's full share of surplus-profits, *and in addition a further sum of $1,000.* Why should a young man full of vitality and strength go into the ordinary class when he can secure the *guarantee* of an *enormous cash dividend,* as a reward for being a good risk and for keeping his policy in force? For such a man this policy is issued on a most liberal basis, as you can see by noting how much higher the premium would be if he purchased an Endowment of the ordinary kind for $2,000. What is true of $1,000 is true of $100,000; and to a man of means the *doubling* of a policy for $100,000 at the end

of the period is not a small matter. In this way the Double Endowment may be used to awaken interest, whether you actually sell it or whether you switch the applicant off to another form.

SUMMARY.

DOUBLE ENDOWMENT.

Guaranteed Cash Value Policy.

THREE PER CENT. RESERVE.

This policy is what its name says—a Double Endowment, guaranteeing that if the assurance is in force at the end of the Endowment Period the Society will pay DOUBLE THE FACE OF THE ORIGINAL POLICY.

If the Assured dies before the end of the period, the result is identically the same as it would be in the case of a Guaranteed Cash Value Endowment Policy; but if the policy is in force at the end of the Endowment Period he will receive more. For example, if the policy be for $1,000, the Assured will receive (1) the face of the policy, $1,000, (2) the Surplus profits apportioned to his $1,000 policy (exactly the same amount he would receive if the policy were a Guaranteed Cash Value Endowment for $1,000), and (3) an additional $1,000, making in all twice the amount of the policy, together with the Surplus on the original $1,000.

It must be noted, however, that Dividends and Guaranteed Values are on the Single Endowment Policy only. The additional Endowment is without Profits. In other words, the Assured receives a *Double* Endowment, with the Surplus on a *Single* Endowment.

If the Policy is surrendered during its Endowment Period for a Paid-up Endowment, the Society will, in the event of the death of the Assured before the end of the period, pay the amount stipulated in the Policy, but if the Assured be living at the end of said period, the Society will pay double the amount stipulated in the Policy.

CHAPTER XIV.

THE ANNUAL DIVIDEND POLICY.

The Annual Dividend Policy is, or ought to be, obsolete. There are some companies, however, that advocate annual dividend assurance, chiefly, I imagine, because the prominent companies *do not* advocate it. You sometimes run across a man, therefore, who has been listening to the agent of a company that issues and advocates annual dividends, and if you should say to that man, "The Equitable does not issue annual dividend policies," he would conclude that your company is lacking in enterprise, or is unwilling to accommodate its customers; or he may suspect that there is some advantage in an annual dividend policy to the assured which is disadvantageous to the company, and which therefore large and strong and prosperous companies can afford to withhold. Hence, the shortest way out of the difficulty is for the Society to put you in a position where you can say, "Yes, we are ready to issue an Annual Dividend Policy on your life. There is no reason why if you want that kind of assurance you should be forced to put the strongest company in the world aside and take the policy from some less prosperous organization. If you want an Annual Dividend Policy the Equitable will give it to you. But are you sure that you really want it? Why take

what is inferior when you can get what is superior? It is a matter of indifference to the management. Remember that the Equitable is conducted on the mutual plan; that the Society is simply an aggregation of policy-holders; that the interests of the policy-holder and the Society as a whole are one; that anything that injures the policy-holder injures the company, and anything that benefits the policy-holder benefits the company; that the reason we do not recommend the Annual Dividend Policy is because our experience has proved to us that it is often disappointing in the long run, no matter by what company it is issued. The deferred dividend policy is an improvement on the Annual Dividend Policy, and the great popularity of modern life assurance is largely due to the introduction of a deferred dividend contract of assurance guaranteeing at the end of a period of years a dividend consisting of the policy's full share of profits."

If a man does not want a deferred dividend policy, it may be as well for him to take a Non-Participating Policy as an Annual Dividend Policy, although it seems folly for a man to content himself with a non-participating contract when he can participate in the profits of the business of a company conducted on the mutual plan. Although, of course, the cost will be a little more in the beginning, he has every reason to expect, in a company conducted as the Equitable has been administered for forty odd years, that the ultimate cost of his assurance, if issued on the participating plan, will be as low as it is possible for gilt-edged life assurance to be. Of course

it is possible that a man may chance to have the good luck to obtain cheaper assurance from a recklessly conducted company that takes risks at every turn, investing its money in perilous ventures that yield high rates of interest for the time being, because the policy may mature before the company gets into trouble. But the man who invests in life assurance as he invests in other things cannot expect to get his assurance at less than cost unless he is willing to accept damaged goods or goods lacking in strength and lasting qualities.

ANNUAL DIVIDEND POLICIES.

Annual Dividend policies are issued at the same *premium* rate as the Guaranteed Cash-Value Policies, and grant the same privileges, including loans and surrender values. The essential difference, therefore, is confined to the basis of apportioning and distributing *surplus*.

CHAPTER XV.

THE NON-PARTICIPATING POLICY.

When a man assures his life in a company conducted on the mutual plan (as is the case with the Equitable), and when that company is earning surplus steadily, and is paying liberal dividends on its policies (all of which is true of the Equitable), why should he not have the advantage of a participating policy, instead of taking a policy on which he can never receive a penny in dividends? But there are some companies that make a specialty of Non-Participating Policies, and men who have been advised to apply for their assurance in such companies sometimes insist upon a Non-Participating Policy in the Equitable. It would not do, therefore, for our agents to refuse to issue such a policy, and there are some men who are not very particular about the amount of the premium they are to pay, provided they can know its exact amount in advance, and that the amount can never vary under any circumstances. But the best advice we can give Equitable agents in this connection is that after offering a Non-Participating Policy to a man who applies for a contract of that kind, and after he fully recognizes the fact that he can obtain it from the Equitable as well as from any other company, ask him to sus-

pend his judgment until he has studied the advantages of some of our best contracts, or at least advise him to take the Non-Participating Policy temporarily with the idea of studying the subject carefully and perhaps selecting a policy or bond with profits later on.

SUMMARY.

NON-PARTICIPATING POLICY.

Non-Participating Policies, as their name implies, do not participate in the profits earned by the Society, and the only returns to the policy-holder, in case of discontinuance of the policy, are those contained in the tables of guarantees stated in the policy.

These policies are issued on the following forms:

Ordinary Life,	Ages	21	to	65.
10-Payment Life,	"	21	"	60.
15-Payment Life,	"	21	"	60.
20-Payment Life,	"	21	"	55.
10-Year Endowment,	"	21	"	60.
15-Year Endowment,	"	21	"	60.
20-Year Endowment,	"	21	"	55.

These policies will not be issued at any other ages than those given above.

CHAPTER XVI.

CHILD'S ENDOWMENT.

There is not much direct profit to the agent in a Child's Endowment, but it may prove very valuable to him as an entering wedge. Some men, especially those who have been in business life for a number of years, have been pestered at one time or another by the importunities of indiscreet agents—a class which is happily becoming extinct. Such men may be interested in a form of investment which is not, strictly speaking, a life assurance policy, and which makes no heavy demand upon capital or income, and yet which will provide an adequate fund to set a son up in business, or provide a marriage portion for a daughter. After a man who is the happy father of an infant boy or girl has accepted or refused a Child's Endowment, you can, if you are a master of your trade, interest him in an ordinary policy of life assurance.

There are two varieties of Child's Endowment.

The " Child's Endowment " or " Simple Endowment," as it is frequently and more correctly termed, is simply a contract to pay a certain sum of money at the end of a stated period of years, in consideration of annual premiums or a single premium, if the person is then living.

The policies are issued with profits on the accumulation plan, and, with very few exceptions, they provide for the return of the premiums paid without interest in the event of the child's death before the end of the Endowment period. They may, however, be secured at a somewhat lower rate without return of premiums in the event of death, but most people taking such policies for the benefit of the child prefer the return of premium form. The contract, of course, is between the Society and the purchaser of the endowment; the child not being a party to it, except as beneficiary. In fact, some parents make the endowment payable to themselves so that they may give it to the child at maturity or withhold it as they see fit at that time. The paid-up surrender values are upon the same plan as on Limited Payment Life or Endowment policies. That is, as many fractions of the whole as the number of premiums paid after the third bears to the whole number of premiums payable. No medical examination is required and application may be made on the G. C. V. form with alterations to suit.

There is, however, another form of so-called Child's Endowment now used by the Society. This has been quite recently adopted and is really a regular Life or Endowment G. C. V. policy with a special provision that in the event of the death of the child before the end of the dividend or endowment period, as the case may be, the premiums shall be returned by the Society without interest in full of all obligations upon the part of the Society under the contract, unless the child, on reaching

fourteen years of age in the case of an Endowment policy with not more than twenty years to run or sixteen years of age in the case of a Life policy, shall pass a satisfactory medical examination and be found acceptable as a risk for regular assurance. Upon this form the first page of the Medical Examiner's Report must be filled out, so that the Medical Directors may act intelligently and avoid holding out the hope of full assurance when the child reaches 14 or 16 years of age, if, in their judgment, such assurance will probably not be granted.

CHAPTER XVII.

SOME IMPORTANT DISTINCTIONS.

EXPLANATIONS.

THE PRIMARY FORMS OF ASSURANCE.

There are primarily three kinds of policies issued by regular life assurance companies, viz.: "Ordinary Life," "Limited Payment Life" and "Endowment" policies.

An Ordinary Life Policy provides for the payment of the *assurance* at the death of the life assured, and requires premiums to be paid during his or her lifetime if the policy is continued in force.

A Limited Payment Life Policy provides for the payment of the *assurance* at the death of the life assured, but in consideration of the payment of a higher rate, the premiums are limited to a stipulated number of years.

An Endowment Policy also provides for the payment of the *assurance* in case of the death of the life assured, but in consideration of a higher premium, not only do premiums cease at the end of a stipulated period, but the *assurance* becomes payable during the lifetime of the assured.

DIVIDENDS.

In general, "surplus" is that part of the assets of an assurance company in excess of all liabilities. It is the fund from which dividends to policy-holders are paid. As soon as surplus has been *apportioned* by the company to the policy-holder, it becomes a *dividend*, and may then be properly characterized as "profits."

Policies upon which dividends are declared ***annually*** are called *Annual Dividend Policies.* Policies upon which no dividends are declared until the end of a stipulated *period* are called "*Deferred Dividend Policies.*" To this class of assurance belong the following contracts:

The Guaranteed Cash-Value Policy, Endowment Bond, Double Endowment, Indemnity Policy, Continuous Instalment Policy, Joint Life Policy, and Gold Bond. If one of these policies is in force at the end of a specified period a dividend is then declared and paid to the assured. In the case of an Ordinary Life Policy, continued in force after the completion of the period, surplus is apportioned in accordance with the terms of the contract.

Deferred dividend policies are sometimes called "Accumulation" or "Distribution" policies, suggesting the idea that dividends are deferred during a period of accumulation until a period of distribution shall have been reached.

N. B.—For conciseness, the accumulation period is often spoken of as the "PERIOD" of the policy.

PAID-UP OPTION—LIFE POLICIES.

Under Ordinary Life and Limited Payment Life Policies, when the paid-up option is selected at the end of the Accumulation Period and the paid-up assurance exceeds the amount of the original policy, the policy-holder may take a paid-up policy for the whole amount of the original policy and draw the cash value of the excess; or, the paid-up policy may be issued to include this excess, subject to a satisfactory medical examination and the Society's approval of the risk.

MATURED ENDOWMENTS.

All Endowment Policies mature at the end of the Endowment Period, and the amount due is payable to the assured in cash, but if he desires to convert the money into paid-up life assurance for a larger amount he has the option of so doing, subject to a satisfactory medical examination and the Society's approval of the risk.

AUTOMATIC PAID-UP ASSURANCE.

Surrender Values in Paid-up Assurance, when granted, are (except under Double Endowment and Joint Life policies) automatic, and if no action is taken by the assured the Paid-up Assurance will immediately go into effect. But:

If the policy *becomes* automatically paid-up the assured can *at any time* secure the Cash Value instead.

GRACE IN PAYMENT OF PREMIUMS.

A grace of thirty days is provided for in the payment of all premiums after the policy has actually gone into force.

EXTENDED TERM ASSURANCE.

Policies granting Extended Term Assurance do so on the condition that Extended Assurance is applied for within thirty days after the date on which a premium is due and unpaid. Or, it will be granted if applied for within a year, if the assured can furnish a satisfactory certificate of continued good health.

EXTENDED ASSURANCE ON THE ENDOWMENT FORM.

If an Endowment, after being in force for a number of years, is surrendered for Extended Assurance, the policy will be extended for a period indicated in the

tables of Surrender Values. If this period extends to the end of the Endowment period, the assurance will cease at the end of the period, and the assured, if living, can draw in cash the amount stipulated in the last column of the tables. If the Extended Period ends before the termination of the Endowment Period, the assurance ceases, and no cash will be paid.

ENDOWMENTS SURRENDERED FOR PAID-UP ASSURANCE.

When an Endowment Policy is surrendered before maturity for Paid-up Assurance the Paid-up Policy will be an Endowment also, maturing at the date the original policy would have matured;

—*but*:—

if desired the policy-holder may, in lieu of a paid-up *Endowment*, select a paid-up *Life* policy for an increased amount, subject to a satisfactory medical examination and the Society's approval of the risk.

ANNUAL DIVIDEND POLICIES.

Annual Dividend policies are issued at the same *premium* rate as the Guaranteed Cash-Value policies, and grant the same privileges, including loans and surrender values.

RESERVE.

It seems paradoxical to those who are not familiar with assurance parlance that a 3 per cent. reserve is higher than a 4 per cent. reserve. As a matter of fact, the highest standard upon which life assurance policies are valued in the United States is a 3 per cent. standard. The 3½ per cent. is an intermediate standard, and of the three the 4 per cent. is the lowest. When the Actuary of a company proceeds to calculate the amount of reserve which it is necessary for the company to hold to

protect a certain group of policies, he assumes that the money held by the company to meet its obligations under these policies will be invested and will be increased by interest. If he assumes that the interest earned on the average will be 3 per cent., it will be necessary for the company to have a larger sum to invest in order to secure the same ultimate result than if he assumed that 3½ per cent. or 4 per cent. would be earned. Thus it is that a 3 per cent. reserve must be larger than a 3½ per cent., and that a 3½ per cent. reserve must be larger than a 4 per cent. reserve. Other things being equal, therefore, a group of policies based on a 3 per cent. reserve are safer, and are protected by a larger volume of assets, than if they were based on a 3½ per cent. or 4 per cent. reserve.

TOTAL ABSTINENCE CLASS.

In response to a request contained in a petition signed by a number of representative policy-holders, the Equitable established a separate class at the beginning of the year 1900, into which total abstainers from alcoholic beverages, who desire new assurance on the Deferred Dividend plan, can enter, if they see fit, and are accepted by the Society. If the losses by death in this class show a smaller percentage than in our general class, the surplus at the end of the period will be correspondingly larger. The Society, however, makes no predictions as to the relative mortality or surplus in the two classes.

REINSTATEMENT IN CASE OF LAPSE.

In case of lapse by reason of the non-payment of premiums, the policy may be reinstated at any time upon the assured furnishing satisfactory evidence of good health, and the payment of all arrears, with interest at five per cent. per annum.

CHAPTER XVIII.

HOW TO CHOOSE A POLICY.

We should think very poorly of a carpenter who did not know how to use all his tools, or who did not know what tools he had in his chest; and we all know that a handy man can do more with a jack-knife than an unskillful man can do with a full kit of the very best tools.

Every agent should thoroughly understand the uses of all his tools, and to that end he should make for himself a list of his tools, and *keep it revised from month to month.*

Such a list may consist of a list of *policies* (arranged alphabetically) with the uses of each policy added; or it may be arranged in accordance with the following plan, under which a list is given of the *different classes who assure* with the appropriate policies appended.

The following is a mere skeleton. If filled out more completely it may be very useful to refer to.

1. Poor man with family to protect.

Ordinary Life, G. C. V. Policy, (20 Year Period unless very old).

Ultimate cost of assurance reduced to a minimum at end of period by surplus then distributed.

Guarantee of loan in case assured is "hard up" during period.
Right to continue assurance at end of period.

2. *Man who wants protection while developing his business, but who wishes at the same time to make a good investment.*

G. C. V. Endowment Policy.
Endowment 5 per cent. Gold Bond.
Endowment Bond.
All these forms give protection, and also a good investment.

3. *Man wanting permanent assurance, but wishing relief from burden of premiums in old age.*

Limited Payment Life Policy of any form.

4. *Young man uninterested in assurance, wishing to save money.*

Endowment better than life;
Deferred Dividend better than Annual Dividend;
Double Endowment best of all, because vigorous young man expects to live. To his interest therefore to assure in class where he will receive *large reward* for *longevity* and *persistence.*

5. *Man desiring full share of profits at end of period, but afraid of loss of profits in case of death between, say 15th and 20th years.*

Indemnity Policy, because besides granting 25 per cent. dividend in case of death during period, it is a G. C. V. Contract, with all the guaranteed surrender values, loans, etc., of the G. C. V. form.
Return Premium G. C. V. Policy.
Endowment Bond, which, in case of death, guarantees that the return shall be at least *all that has been paid with 4 per cent. compound interest added.*

6. *Man whose wife or daughter is without business experience and might lose or waste the assurance if paid in one lump sum.*

G. C. V. Instalment Policy (with stipulation that beneficiary is limited to instalment settlement), or, better still, if only one beneficiary to be provided for, Continuous Instalment Policy.

7. *For servant or other dependent whom Assured, during his own lifetime can support, but who would be destitute thereafter.*

Continuous Instalment Policy, or *Survivorship* Annuity.

8. *Man who believes in assurance, but is unwilling to pay regular rates for it.*
Yearly Renewable Term Policy.
After inserting this entering wedge the agent should follow up the case closely and show the assured the advantage of changing to a more profitable form.

9. *Man who hesitates to assure until he can afford larger policy.*
Yearly Renewable Term Policy, to protect him during interval.

10. *Man who refuses to assure until he has decided what kind of contract suits him best.*
Yearly Renewable Term Policy, while he is deciding.

11. *Man attracted by cheapness of Assessment insurance.*
Yearly Renewable Term Policy.
Non-Participating Policy.

12. *Man who insists upon knowing definitely the exact amount to be paid every year, and indifferent about dividends.*
Non-Participating Policy.

13. *Man with money to invest indifferent to assurance.*
Five per cent. Gold Bond.
Endowment Bond.
Double Endowment, if in vigorous health and expects to outlive his expectation.

14. *Man willing to pay for biggest and greatest number of guarantees.*
Endowment Bond.

15. *Man who cannot see superiority of Deferred Dividend plan and will not listen to argument, but insists on annual dividends.*
Annual Dividend Policy.

16. *Man wishing to provide marriage portion for daughter, or to set son up in business after reaching certain age.*
Child's Endowment. (See table in Blue Book.)

17. *Man having a large amount of cash which he wishes to salt down, and who doesn't want to be bothered with annual premiums.*
Single Payment Policy.

18. Partners in business.

Joint Life Policy, or, better still, a separate policy of any form, on the life of each partner.

19. Man wishing to provide annuity for wife, son, or daughter, without sinking large capital in advance.

Compound Annuity, which increases annually as annual deposits are made.

20. Man having capital to invest and an abundant income, but who wishes to retire from business after reaching a certain age.

Deferred Annuity, which guarantees very large life income after a term of years.

Endowment, payable to himself in instalments.

21. Old man or woman not in business, without dependents, the income on whose invested capital is inadequate for comfortable support.

Life Annuity.

22. Man wishing to provide support for wife, daughter, mother, or other dependent, to begin at his death whenever that may occur.

Survivorship Annuity, or Continuous Instalment Policy.

23. Man wishing discount from bank, whose credit needs strengthening.

Any desired form of policy, but preferably an Endowment, as the guarantees on an endowment are larger than on other forms.

24. Man with mortgaged home which would create burden for family if he should die.

Any form of life policy will do. An Endowment Policy would enable him to pay the mortgage during his own lifetime if he survive the endowment period.

25. Man embarking in new business ventures which would collapse in case of premature death.

Any desired form of policy.

26. Man who has borrowed money to use in his business which his executors or family could not pay if he died.

Any desired form of policy.

27. *Man who has borrowed on collateral which in case of his death would be sold to pay off his loan.*

Any form of Life policy, of sufficient amount to pay off loan, leaving the collateral intact.

28. *Man who has tried to lay up capital for a rainy day, but has failed.*

Any Endowment or Deferred Dividend form of policy.

29. *Man wishing to provide ready money to protect his estate in case of his premature death, but whose chief aim is to lay up money for his own support in after life.*

Any form of Endowment Policy or Bond.

30. *Rich man who knows the wisdom of not having all his eggs in one basket, but who finds it hard to get absolutely secure and profitable investments for surplus funds.*

Any form of Life or Endowment Policy or Bond.

PART II.

GENERAL HINTS.

CHAPTER I.

DON'T.

Don't talk too much. Find out in advance all that can be known about the man you wish to assure—his age, family, business, surroundings, habits, idiosyncrasies. It saves talk later on. Some agents assassinate success with their tongues.

Don't be a bore. The agent who is a bore is a "back number."

Don't waste powder and shot. If you have a hundred good arguments and capture your man with one of them, save the other ninety-nine for the next man. It saves time as well as ammunition.

Don't offer the same man all the policies on the list. Find out which form will suit him best. Offer *that,* and don't change to another unless you discover that some other form will suit his requirements more exactly.

Don't stray from the path. Remember that your work is to make policy-holders, not actuaries. Some agents think that the way to assure a man is to give him full instruction regarding the mathematics and science of life assurance. But such agents write mighty little business.

Don't let the applicant get beyond his depth. It is not true hospitality to feed your guest so full that he cannot

digest his food. Keep your eye on the applicant. See to it that he understands every proposition you advance. Don't expect to convince him by statements he can't comprehend. And when you have convinced him, *give him a rest.*

Don't think you know it all. The only way to make what you have to say clear is to *understand it thoroughly yourself.* The best agents are those who learn something new, and apply it to their work, every day of their lives.

Don't get into a rut. The Equitable issues a great variety of policies. Why? Because there are a great variety of men. The agent may make a specialty of one form of policy, but he should be thoroughly familiar with *every* form; for now and then he will run across a man to whom his specialty will not apply.

Don't stop half way. Finish your work. It is good to secure an application; it is better to deliver the policy; it is best to influence the assured to keep his policy in force until its maturity. Why? Because not only will you increase your income, but instead of having the country full of deserters from your ranks, you will have around you a strong army of allies who will help you to fight future battles.

Don't get discouraged by failure. Every failure gives experience, and every thoughtful agent can manufacture gold out of experience. Such a man will find that he has discovered the philosopher's stone.

Don't overdo it. There are forty or fifty bushels of *dont's* that might be added to those I have given here, but I must take my own medicine, and leave the rest to your own common sense.

CHAPTER II.

CONFIDENCE.

When a good thing is put to a bad use it becomes a dangerous evil. The green-goods man and the gold-brick swindler who sell worthless rubbish for good money are called *confidence men,* because they first gain the confidence of their victims and then proceed to fleece them.

If what is worthless can thus be sold through *confidence,* what an enormous advantage it is to the life agent (who has the best wares in the market for sale) to secure the confidence of his customers! And if the agent succeeds in securing the confidence of a number of individuals, his entire community will soon have implicit faith in him and in his company. Then he will occupy an impregnable position. He will get the cream of the business within his territory, and as those who are young reach mature years and marry and raise families he will be able to assure their lives also. And the resident and visiting agents of other companies will never be able to dislodge him from his intrenchments.

Every successful business enterprise is based on confidence. Without it no enterprise can succeed.

Make it your first object, therefore, to secure the confidence of your customer. Do not leave this point in

doubt. Even if a man has confidence in your company, it will not suffice if he has not confidence in *you*. Many an agent never knows whether he has a man's confidence or not. And yet in most cases where the agent has failed to write an application, the reason has been that he has failed to secure the confidence of the man he has been soliciting.

Be moderate, therefore, in your statements. Avoid exaggeration. Draw a short bow. Never promise what an intelligent man knows you have no ability to guarantee.

It is not always easy to discover whether you have won a man's confidence or not, and that for a very simple reason, namely, because most men have courteous instincts, and may hesitate to admit that they lack confidence in you. Many an agent goes to a man and advises him to take a policy; he advances all his best arguments; he is eloquently persuasive; but he fails to write the application. Why? The customer says, truthfully enough perhaps, that he has not made up his mind, or that it is inconvenient for him to pay the premium, etc., etc. But out of courtesy, and because he does not wish to wound the feelings of the agent, he withholds the real difficulty, which, if removed, would sweep away every other obstacle; and that is, that he has not *confidence* in what the agent tells him. He says to himself: "This agent is enthusiastic and over-sanguine, hence I shall not take his advice." Or, "This young man may not intend to exaggerate, but it is obvious to me that he

does, and I shall get rid of him as politely and as quickly as I can." Or, "This agent may be honest, but I question whether he is well informed; what he believes may not be quite accurate, and so I shall transact my business with somebody else." Or, "This illustration of dividends is too good to be true. I shall not be so rude as to express any doubt regarding the figures, but I shall get rid of this agent as soon as I can, and if I ever decide to assure my life I shall try to find an agent and a company that I can *certainly* place absolute confidence in."

Let the chief aim, then, of the Equitable agent be, first, so to live and speak that he shall *command* confidence and respect; and second, let him lay before the public the facts regarding his company in so forcible and at the same time in so reasonable a way that its strength and the character of its management cannot fail to be recognized. Then, in each individual case, let him find out surely whether he has gained the confidence of his customer; and if not, let his first work be to secure it.

Remember also, that the agent must have confidence in his company or he cannot transmit that confidence to his customer. Equitable agents who represent a company that richly deserves their fullest confidence have a great advantage over men who have doubts about the companies they represent, and who, consequently, have to do a great deal of pretending in order to sell their wares.

Finally, the agent must have confidence in *himself*.

Some agents lack that confidence (notwithstanding the gibes of scoffers about the "brazen cheek" of the life assurance solicitor). But no Equitable agent, who is industrious and intelligent, who adheres to sound business methods and sticks to the truth, need have any fears or misgivings, seeing that he has the Equitable—*the strongest in the world*—at his back.

CHAPTER III.

DON'T GO TOO FAST!

The most important warning to give to the young solicitor is: "Don't expect to be a *full-fledged* agent all at once."

It is as necessary for the life assurance solicitor to have training and experience as it is for the physician, the lawyer, or the engineer. It is true that the solicitor enjoys a great advantage; he can learn his trade *as he goes along;* he can earn a living, if he is diligent and intelligent, while he is learning. It is not necessary for him to have capital, or to spend several years in preliminary study, paying expenses meanwhile out of his own pocket; *but he must learn his business all the same.*

Many a youth just out of school or college, absolutely without business experience, has gone into life assurance and prospered from the very beginning. Others have made the attempt and failed. Why? Not because they have lacked energy or brains, but because they have allowed their greed to get the better of their discretion. I could cite many instances. Let me mention two by way of illustration:

A young friend appealed to me some years ago for an agency position. He had all the qualities to fit him for making a successful solicitor. I explained to him,

in the first place, that there was no greater folly for a young man than to attempt to be a general agent all at once. It is true that there is always room at the top, and it should be the ambition of every solicitor to advance as rapidly as his abilities and his experience will justify; but he must not overrun the mark. It is folly for the farmer to develop more land than he can cultivate; there is no use of breaking ground and sowing seed unless you can follow the work up and secure a crop, and harvest it. I explained to this young man that the shrewdest thing for him to do would be to make a contract with a competent general agent of the Society, and I explained that *the larger the interest in the business retained by the general agent, the more rapid the young man's progress would be;* because, the greater the interest of the general agent in his success, the more rapidly would he learn the business, and the more certainly would the early applications written by him be closed.

It is not the smartest thing in the world for the inexperienced solicitor to strike a sharp bargain with the general agent; for if such a young man is left to his own devices, if the general agent has no pecuniary interest in his work, he is in great danger of being swamped by difficulties which have ceased to be difficulties to the agent of experience.

In the case referred to, the general agent wished to give this young man a " taste of blood," hoping to encourage him by a little success. So he arranged it that

in the very beginning he should succeed in writing, with no serious difficulty, a large application. But this turned the young man's head. Why should he share his commission with the general agent on business so easily obtained? Why should he not paddle his own canoe? He tried, therefore, to go it alone, failed ignominiously, and went away discouraged.

Some years ago I knew a school teacher who had been successful, and had made a large circle of influential acquaintances, but he was driven out of business by the establishment of certain large schools, backed by heavy capital. He was a man of intellectual force, highly cultivated, magnetic, attractive. He made acquaintances readily, and was popular with all who knew him. He agreed to solicit life assurance. My advice to him was that he should in the beginning be content with very moderate remuneration; that he should not attempt in the first instance to canvass at all, but should confine himself simply to bringing people in contact with the experienced general agent with whom he made his contract. I said to him, " Let the general agent do *all* the work at first. Let the general agent realize *most* of the profit. Listen to him; watch him, and gradually you will find yourself competent to do the work yourself, relying upon the general agent to help you only over such obstacles as prove to be especially difficult. *After* that, if you are successful, you will find no difficulty in demanding and *securing* adequate pay for your services." What was the result? This man of talent saw that the general

agent's work was done with such ease that he jumped in prematurely on his own account, failed, became utterly discouraged, and threw up the sponge. Instead of a successful and remunerative career, he made a dismal failure.

Men of a certain stamp who refuse ever to be disheartened by discouraging experiences, who hang on through thick and thin, can, without doubt, start in without guidance or backing, and carve out success for themselves. But it is a question, even in the case of such a man, whether *remunerative success* does not come more slowly than if he had been less greedy for large gains in the beginning, and had *relinquished a considerable portion of his profit* in serving a sort of apprenticeship.

The best advice, then, to the young agent is: "Push forward with all the energy you possess. Take advantage of every opportunity that presents itself. But be moderate and patient. In certain respects go slowly. Get the most expert training you can secure; and remember that if that training is to be valuable, you cannot expect to get it quickly without paying for it in some way. Remember that you are lucky in not being called upon to pay for it in cash out of your slender means, but that you can obtain it through the general agent by giving him a liberal interest in the applications you write. In going into the life assurance business, while you can start without money, you must, nevertheless, accumulate capital—a capital consisting of knowledge, experience, aptitude and skill. Don't get the cart before the horse.

Lay in that capital first, and you will make money speedily. Try to make your fortune all at once, trusting to luck or to the future for knowledge and skill, and you will make no money, and will fail ignominiously.

CHAPTER IV.

WILL—CONCENTRATION—MOMENTUM.

If you intend to go to work, there is no place better than where you are. If you do not intend to go to work, you cannot get along anywhere.—*Abraham Lincoln.*

If you *will* to assure a man's life, your success is ***sure,*** unless the other man's will is stronger than yours, and you will triumph even then ***if he does not oppose his will to yours.***

A youth once sang—

I want to be an agent,
And with the agents stand;
A rate-book in my pocket,
A leaflet in my hand.

But the old agent said: "Hold on, young man! What you want in your hand is an ***application;*** and you don't want to stand, either; you want to get a ***move*** on you; you want to ***hustle."***

The way to be an agent is to ***be*** one. Wishing will not do it; ***willing*** will.

If you've any task to do, let me whisper, friend, to you,
Do it.
If you've anything to say, true and needed, yea or nay,
Say it.
If you've anything to give, that another's joy may live,
Give it.
If you know what torch to light, guiding others through the night,
Light it. —*London Endeavor.*

Do you fully recognize the value of *concentration?*

"Concentration begets success." Any boy, with a "burning glass," can light a fire by concentrating upon one point the feeble rays of sunlight, which, diffused about his face, scarcely warm his cheek. Concentrate your energies on the object to be attained and you *must* succeed.

Do you fully recognize the importance of *momentum?* The momentum of a projectile is not measured by its speed alone, nor by its weight alone, but by both, taken together.

You can drive a tallow candle through a board by firing it out of a gun—that illustrates the momentum resulting from velocity. I once saw a strong metal roof, which covered a great dock in this harbor, swept away as if it had been made of brown paper, by the bowsprit of a Cunard steamer, although the ship was scarcely moving. That illustrates the momentum resulting from weight. Combine the utmost velocity with the greatest weight, and you have a momentum that cannot be resisted. Now, an Equitable agent can put as much energy (velocity) into his work as can the agent of any other company, so he is at no disadvantage when it comes to a question of speed. And when he puts back of that energy the whole weight of the Equitable—"the strongest in the world"—with its surplus of *seventy-one millions,* he will attain the *maximum momentum,* and his progress will be IRRESISTIBLE.

CHAPTER V.

THE ADVANTAGES OF HAVING THE EQUITABLE BACK OF YOU.

Sometimes in competition an Equitable agent, who is distant from headquarters, is hard pressed by the agent of some other company, who springs on the applicant a big dividend, or a low premium, or a novel privilege, or an excessive guarantee.

What is the Equitable agent to do in such a case? There are four methods of procedure:

1. He can lie down and let the enemy walk over him; or,

2. He can telegraph to headquarters petulantly asserting that he will throw up his contract unless the Society will instantly do what the competing agent *says* the company *he* represents is prepared to do; or,

3. He can "spar for wind" until he can obtain advices from the Society; or,

4. He can meet the issue squarely by throwing his *company,* "the strongest in the world," bodily at the head of the enemy. He can, in this way, show that the *whole* is more important than *its parts.* He can weigh one *company* against the other, and then minor questions about the contract, the premium, the dividend, etc., will not assume undue proportions.

An agent who has the Equitable behind him has a *right* to exhibit pluck and dash; and if he is wise he will follow the fourth of the foregoing methods in competing with the agents of companies whose financial strength is less than that of the Equitable, and whose record is inferior to our record; that is to say, with the agents of all other companies.

When, therefore, a big dividend, or a new option, or a small premium is fired at you, do not be afraid to meet the attack. If in no other way, you can silence the rifle fire of the enemy by bringing your heavy artillery into action. *"Not for a day, but for all time"—"Protection that protects"—"Strongest in the world."*

Often when a large dividend paid by some other company is quoted against you, you would be able to retaliate *in kind* if you had a corresponding Equitable example at hand, but in the beginning it may be necessary for the Equitable agent to act before he can get details from headquarters; therefore, he may be forced to pass from small details to comprehensive arguments, and show that a company may pay a big dividend here and there and yet not be the best company to patronize. How many capitalists would there be left if every millionaire should reinvest all his money in securities whose only merit is that they have paid big dividends?

In the same way when the competition is based on the lowness of a premium, a practical business man can be shown that the same rules apply to an investment in life assurance as to one in railroad securities. Why does a

man pay 110 for one bond when another promising the same rate of interest can be bought at a price 30 per cent. below par?

Is it not often the case that a shrewd financier will increase his subscription to some enterprise in order to induce others who are interested in the same enterprise to increase their subscriptions? Is it not an advantage, therefore, to the members of an assurance company conducted on the mutual plan like the Equitable, not to see how *little* they can subscribe, but to see whether by joining their fellow-members in putting enough capital into the enterprise to make it eminently successful, they will not reap individually a far richer reward? If there are three hundred thousand members in a life company, and if you are a policy-holder in that company, it is not a very important matter whether your premium is one dollar over or one dollar under a given amount. But when you apply a difference of one dollar to every policy-holder, it makes a difference of $300,000, and it may be very much to your disadvantage to have the enterprise in which you are interested deprived of that amount of working capital. On the other hand, it may be greatly to your advantage if, instead of that deficiency of $300,000, the enterprise should have the use of an additional capital of $300,000—one dollar from each subscriber. This argument would not apply to a policy-holder in a stock company, for he would have no interest in profits. It only applies to a company conducted on the mutual plan, where the Surplus, while undivided, is held for the

protection of the policy-holders exclusively, and when divided goes to the policy-holders, and to policy-holders only. Business men all the world over recognize, and will always recognize, the fact that there are a great many considerations more important than big dividends and low initial cost.

In the same way the offer of special privileges or excessive guarantees may be met by comprehensive arguments appealing to the common sense and experience of practical men. The Equitable seeks to give every man every advantage that he can be offered without encroaching upon the rights of his fellow-members. If more than this should be offered to a new policy-holder, it can readily be shown that the offer is made at the expense of his fellows; or at least, that the other policy-holders will thereby be exposed to a risk which will threaten their well-being. Besides this, men must be reminded that every new policy-holder, if he is steadfast, soon becomes an old policy-holder, and if the bait used to hook him has been denied to those who have gone before him, he must expect policy-holders who come after to receive favors which he will never enjoy.

The Equitable agent should never be content to let business go to another company because the Society refuses to do something that another company offers to do. There are innumerable instances where other companies have sought to attract applicants by offering something which they knew perfectly well they had no business to

offer, and would never have thought of offering if they had not been sure that it was something which the Equitable, in its adherence to scientific principles, would refuse to give.

CHAPTER VI.

SURPLUS.

What is the surplus of a life company? Is it a strange, weird, mysterious, abstruse mathematical quantity about which there must be all sorts of doubts and uncertainties, and the true significance of which can only be gathered after profound research, and only by those who have rare technical scientific knowledge? It would seem so from the talk with which some people connected with certain life companies favor the public.

But, as a matter of fact, the surplus of a life company is precisely what the surplus of any individual is. It is nothing more nor less than the money, or property, which the company holds *after* making provision for all its obligations. It is, therefore, the most important part of its holdings. It measures its wealth, its strength, the quality of its management, and its success.

Recently a trust company and a large banking firm in New York closed their doors. Both the company and the firm owned property worth millions, but their obligations ran into the millions also, and exceeded their assets. In other words, they had ceased to be wealthy because they lacked surplus.

The man who puts all his savings into a house valued at $20,000 is not worth that sum if there is a mortgage

on the house of $15,000. His wealth is represented by his surplus—the difference between the value of the house and the amount of the mortgage; namely, $5,000.

Do not let interested people throw dust in your eyes. It is the old fable of the fox who sneered at tails. The people who have sought to create confusion in the minds of the public regarding the surplus of the Equitable are those who are interested in companies having less strength and less wealth—that is to say, less surplus.

"But," some one says, "doesn't the surplus of a life company differ from the surplus of a business firm or an individual? Is it not, in fact, a liability?"

Let us discuss that proposition: The surplus of a company, whose business like that of the Equitable is conducted on the mutual plan, *is* in a certain sense a liability. It is, so to speak, an item of liability which the company is responsible for to those inside the organization. This is essentially true of such a company as the Equitable, for the members of the Society—the policy-holders—constitute the company. The surplus, therefore, measures their wealth—the surplus fund from which their dividends are drawn. And this fund is invested and reinvested from day to day and from year to year for their further enrichment. Moreover, it measures the value of the *guarantees* they collectively make *to one another,* under the policy-contract held by each member.

The surplus of the Equitable is in this sense a liability if you please, and no agent of the Society need hesitate to acknowledge the fact, because that acknowledgment

will not give the enemies of the Society a crumb of consolation, for it is a liability of an altogether different character from all the other liabilities of the company. Take any other item of indebtedness; the only way to get *rid* of it is by *paying it.* But if the whole of this surplus should be annihilated, that would not impair the solvency of the company. Why? Because all the other liabilities of the company are backed by assets sufficient to discharge them to the uttermost farthing. And if the entire surplus should be annihilated, it is even conceivable that the company could still continue to prosper; might build up new strength; might gradually accumulate a new surplus, and again begin to pay dividends to policy-holders from that new accumulation. But the only reason that surplus could thus be annihilated without disaster would be that it *is* surplus and not that portion of the assets necessary to provide for the actual *obligations* of the company.

A tree is known by its fruits, and it makes mighty little difference what surplus is *called* if it exists. It is to a life company the most valuable thing in the world. It is its wealth, its strength, its means of doing the greatest good to the greatest number. Surplus is surplus. Call it " surplus liabilities " or " security-dividend fund," or " dividend reserve," or what you will. What it is *called* matters not; what it *is* is all important.

Some companies divide their surplus up into different items and give these items new names—in some respects an excellent plan, except in cases where the effort ap-

pears to be to conceal the truth and avoid comparison on this important point with the Equitable. But it is natural when the Equitable comes to the front for some of the other companies to seek to divert public attention from the fact that the Equitable's surplus is the largest.

CHAPTER VII.

THE BEST IS THE CHEAPEST.

Men do not *prefer* assurance that does not assure. They are *not* content with investments which cost little in the beginning but will certainly prove expensive in the end. They do *not* wish to be cautious in making investments for themselves, and reckless in making investments for the support of their families. On the contrary, men often take risks with temporary investments which they would not take with permanent investments.

It is your duty to *educate* the public; and if you do, you will reap the reward. The reason men of means who buy assurance do not always take the best (which is, in the long run, the cheapest), is because they have not been shown that it *is* the best.

The startling fact has been demonstrated that many assurance contracts made to-day may not reach a final termination until the twenty-first century has been reached! Make no mistake; the investor in life assurance will see the advantage of joining the company that has the biggest surplus, if you give him a few pertinent facts regarding the character of the business and the nature of the contract he is entering into. It is the advocate of the less successful enterprise (whether it be

life assurance or something else) who says of surplus: "It is naught."

The contract is important; but the company that makes the contract is more important; and, having found the best company, it will be easy to select an appropriate contract. And the premium charged and the dividend paid will become secondary considerations—although it by no means follows that, because the company is the best and its assurance is the safest, its charges will be the highest.

The poor need assurance, and it is well that there are strong "industrial" companies that issue policies for an amount as small as fifty or one hundred dollars. But, as there *are* such companies, you who represent the Equitable can afford to pass this class of assurants by, and confine your efforts to men who are able to take $1,000 or $10,000, or $200,000 of assurance.

Some people may believe that they cannot afford anything but shabby, pinch-back, bargain-counter protection. If so, they are to be pitied. But, as you represent a company that grants "protection that protects," you can afford to concentrate your attention on men who can afford to buy the *best*. Hence, your shrewdest course will be to seek out the capitalists in your community—men who are seeking good investments—who, by becoming members of the Equitable Society, will ally themselves with other strong financiers who will thus get more in profits in the long run than those who can only

afford to buy what costs little at the start, and which, for that very reason, is lacking in quality, will not wear well, and is sure to give way if a heavy and unexpected strain is put upon it during some period of financial disturbance.

CHAPTER VIII.

HOW TO COMPETE WITH "CHEAP" ASSURANCE.

When an applicant threatens to assure with some assessment concern, or with some company which issues a special form of contract which seems particularly *cheap*, remember that *no* assurance can in the long run cost as little as *a participating policy* issued by a *regular company* on the *mutual basis*, provided the company is conducted economically. The Equitable is such a company, hence every agent should familiarize himself with the comparisons and expense ratios issued from time to time by the Society.

It does not make so much difference *what the amount of the annual premium may be*, or whether the reserve guaranteed is on a *4 per cent., or 3½ per cent., or 3 per cent. valuation*, as does the ultimate net cost of the assurance as shown by the total amount paid in premiums compared with the final return to the beneficiary. For example, the holder of a G. C. V. policy who surrenders it at the end of its period receives the full value of the *policy proper* in the reserve, *and his full share of the surplus profits* in the dividend then paid to him. What his full share is, must, of course, be computed by the Actuaries of the Society. No life assurance company could be safely and properly conducted on the principle of al-

lowing each policy-holder to decide for himself his own share of profits, because some policy-holders might knowingly demand more than their due, while others from ignorance of the science of life assurance might honestly claim more than they are entitled to. But as a matter of fact, where a company like the Equitable is conducted by Directors and Officers who recognize their responsibility; who are conscientious, and jealous of their reputations, and who transact its affairs with zeal, knowledge and intelligence, no policy-holder need have any doubt about receiving substantial justice. A few timid or suspicious policy-holders here and there may listen to the specious arguments of the agents of assessment concerns and agents of companies which have not been economically administered, who attempt to break down the force of the supreme advantage enjoyed by the agents of the Equitable in representing a company with a larger surplus than any other organization of its kind; but the agents of the Equitable should have little difficulty in exposing the true inwardness of such attacks when dealing with reasonable applicants. When, for example, it is said that the Equitable has a larger surplus than other companies because the Society deprives policy-holders of a *part* of the money which should be paid them in dividends, it is easy to show that this is false, and that the large surplus of the Equitable is due to altogether different causes; that it is due in the first place to *good management* under which by care in the selection of risks, care in the investment and re-

investment of assets and discrimination in the general conduct of the business, profits are earned for the assured; and that it is due in the second place to the fact that the bulk of its business is transacted on the deferred dividend plan, under which every man entitled to profits will get his full share, but will not receive it until his share is due. Meanwhile, as a member of a company conducted on the mutual plan, he enjoys the protection and the advantage due to the strength and prosperity resulting from the great surplus fund of the Society; and he may congratulate himself on the fact that not only are the Assets of the Society (covering the reserves on all its policies), invested and earning interest, but that the surplus is also invested and is earning compound interest from year to year.

Now, let us recur again to the argument advanced above, and see the bearing of all this on that argument. We have said that if the business is economically conducted on the mutual plan, and if the policy-holder at the end of the accumulation period receives the full reserve and his full share of the surplus over and above the reserve, he will necessarily find that his assurance has been given to him practically at cost; that is to say, after the Society has provided for death claims and expenses, the ultimate cost of his assuranec is ***reduced to a minimum*** by the return to him of his full share of the profits of the business resulting from over-payments in premiums, increased by interest and profits of all kinds.

CHAPTER IX.

AN ASSESSMENT COMPANY SHOULD BE AVOIDED EVEN AFTER IT HAS REFORMED.

Sometimes an assessment concern advertises that it has changed the method of conducting its business, and that it is prepared to issue assurance on the level premium plan. If you strike an applicant who is attracted by such an advertisement, you can easily show him that if a level premium is charged by an assessment concern, *and if the premium is adequate,* the assurance will be offered to him on substantially the same basis as by a regular company, and that consequently it is folly for him to assure with a weak assessment concern, when he can buy the same thing from a regular company with a large surplus. If, on the other hand, the assessment concern claims to issue its policy on a level premium, but at a rate much *less* than that charged by regular companies, it will be obvious that the premium is *inadequate,* and, although on a less dangerous *basis* than the ordinary assessment plan, does not go far enough to be safe.

A Company Doing All Its Business on One Plan Exposes Itself to Danger.

Sometimes a company does *all* its business on a special form and you say to the applicant: "That company is not very strong; if you must have that kind of a policy, why not take it with the Equitable? The Equitable issues a policy of that kind occasionally." There is no real inconsistency in this. There are contracts which, if issued *exclusively,* are injurious to a company, but which, if counterbalanced by contracts of a different character, are safe and advantageous to the company. Let me illustrate:—

A company, transacting all its business exclusively on the Renewable Term Plan, under which assurance can be dropped without great sacrifice, might reach a period of special strain when the business on its books would be quickly disintegrated and new assurers would be unwilling to patronize it. The result would be either that the company would suffer heavy losses, or be forced to close its doors. A company like the Equitable, however, the bulk of whose business is on the level premium plan, could not be thus influenced by a few scattering policies issued on the Renewable Term Plan.

In fact, it is a distinct advantage not to have the business of one class exclusively, *just as it might steady and benefit a ship to carry a few tons of iron if the rest of its cargo should be cotton, whereas, the same ship might go down in a storm if the entire cargo were of iron.*

CHAPTER X.

ADVISE YOUR CLIENT AGAINST GAMBLING WITH WHAT HE SAVES FOR HIS FAMILY, AND SHOW HIM HOW HE CAN FREE HIS MIND FROM ANXIETY.

A great many men are attracted to this or that company because a policy is offered to them at what seems to be a low rate, and because, in addition, it is represented to them that the company has paid, or is paying, or expects to pay, very large dividends. Such a man is very likely to argue in this way: "Perhaps this is not a very strong or a very well managed company, or a very good form of policy; but it seems to be *cheap,* and my need for life assurance is only *temporary,* and I will *take my chances!"* Let us assume that no serious disaster results. It does not follow from this that it was a shrewd act to take such a policy, for it is very likely to turn out that, through mismanagement or misfortune, or lack of confidence among the policy-holders, or imperfections in the policy itself, the ultimate result will turn out to be very unsatisfactory. The company may not fail, but it may meet with serious losses which will force it to pay little or nothing in dividends, or perhaps only a part of the risk assumed will be paid, or for some reason or other it may turn out that, compared with the

total outlay, the return will be altogether inadequate; in other words, that the cost of the assurance will be *extravagantly high* instead of *abnormally cheap*.

Life assurance is like other branches of business. A reputable coal merchant who has a reputation to maintain will sell you a ton of coal at a certain price. Some irresponsible dealer can always be found who will offer to supply the "same thing" at a lower price, but if that offer is accepted the purchaser will often find that his coal has cost him more than he would have paid if he had taken it from a reputable dealer. He may not discover this in the beginning, but later on he may find that only three-fourths of a ton have been delivered, or that part of the weight is made up of dust which will not burn, or that an inferior grade of coal has been substituted for what he expected to receive. Besides, a man should be *more* particular about life assurance than about any other of his investments. He may not be able to correct a blunder made in the selection of a life company, or he may never know that he has made a blunder, but his executors are likely to find it out and his wife and children are the ones who will suffer. But do not make the mistake of pushing this argument too far. It does not follow because a thing is the best of its kind that it *necessarily costs more than an inferior article.* It is true, as we have seen, that an unprincipled dealer can afford to underbid a reputable merchant by substituting an inferior article for one which is superior, but other things being equal, the intelligent investor in life assurance

should select the Equitable not only because its assurance is of the *best,* but because the company is so conducted *that he will pay a minimum price for it in the long run.*

This suggests another train of thought. Let us grant, for the sake of argument, that a man can obtain life assurance from some other company at a lower premium rate than that charged by the Equitable, which under normal conditions if times are prosperous will serve its purpose fairly well, but which, even if the ultimate result is satisfactory, will cause the purchaser a great deal of anxiety and trouble from time to time if the prosperity of the company is threatened by storms through which it is forced to pass. Is it worth while to suffer such anxiety when assurance may be obtained at a moderate cost from such a company as the Equitable? Is it wise to go to sea in a ship which will be *certainly* safe *if the weather be fair,* but which may go to the bottom if a storm is encountered?

CHAPTER XI.

REMIND YOUR CLIENT THAT "SAUCE FOR THE GOOSE IS SAUCE FOR THE GANDER."

If you can get an applicant to exercise ordinary common sense in dealing with life assurance, you can assure him in the Equitable, where otherwise he might go to some other company. For example, let us assume that you are dealing with a banker whose money is invested in stocks and bonds. If he is attracted by some inferior grade of assurance because he believes it to be cheap, you can show him that if he selects his life assurance as he selects his stocks and bonds, he will avoid this cheap assurance. He ought to be more conservative in purchasing life assurance than in purchasing stocks and bonds, because it is much easier to change investments of the latter character than to make a change in an investment in life assurance. In fact, many a time the conditions are such that a change of policy becomes *impossible.* If this banker holds a block of bonds which he has bought at a premium above par when the market is full of bonds selling at varying prices below par, he cannot fail to recognize that in that investment he has not confined his attention to the *initial cost* and the *promises set forth in the bond.* He has gone further, and (if he allows his mind to run back over the motives

which prompted his action) he will be forced to admit that he selected the investment because he believed *that in some way it would be directly or indirectly of greater advantage to him to own those particular bonds than to invest his money in something at a lower price.* Hence, he should assure with the Equitable; (1) because he will surely get the worth of his money; and (2) because the *ultimate* cost will be the *very lowest* that assurance *of the first quality* can be bought for in any market.

Since writing the above a significant illustration has fallen under my eye. It is a newspaper advertisement describing a policy issued by a certain company, not an assessment concern but a regular life assurance company. The policy referred to is for $10,000, ten-payment life, age 30, annual premium $375.80. Analyzing this policy our Actuaries find that the *gross* premium charged is actually less than the 4% *net* rate, Actuaries' Table *(the table by which that company's policies are valued).* In other words, there is no margin for expenses, *although the actual expenses of the company are nearly 36% of the premiums received!*

It would be improper and unsafe for a strong company like the Equitable to offer assurance on such a basis as this, and yet the company in whose behalf this offer seems to have been made is a small and a weak organization. The policy contains all sorts of attractive promises, but, according to the Actuaries' Table, the premium charged is not sufficient to pay death claims, let alone the expenses of conducting the business; and

if such a company should get into trouble and the good risks should desert, and new and healthy lives should fail to come in, the death rate, instead of continuing on a normal basis, would become excessive and the company would fail from that cause alone. And yet the investor who is looking for assurance at the lowest *initial* cost, and who takes nothing else into consideration, would select the policy here described in preference to a policy issued by the Equitable!

Many railroads have issued 4% bonds which are listed on the Stock Exchange. All the bonds produce the same income, and it is probable that all will pay the same amount of principal at maturity. Yet the market price of these bonds at the present time varies greatly. Why? Because of the difference in the financial strength of the companies back of the bonds. If life assurance were sold on the Stock Exchange, the policies of the Equitable would sell at higher prices than those of other companies, because its financial strength is greater than that of *any* other company.

CHAPTER XII.

BETTER THAN A GOVERNMENT BOND.

I have no idea how many editions have been printed and how many hundreds of thousands of copies of the little pamphlet entitled "Better Than a Government Bond" have been circulated, but I *do* know that it has been one of the most popular and valuable short documents ever issued by the Society.

It has been suggested that the argument embodied in that pamphlet can be used with peculiar advantage in offering the Gold Bond Policy, hence I call your attention to the following development of that argument.

The United States Government 3% Bonds issued in 1898 have sold as high as 107. They were nominally twenty-year bonds but could have been redeemed at the option of the Government in ten years; if redeemed in ten years from issue, they would at this price net less than 1.9% on the investment; if allowed to run twenty years, they would net 2.53%. The only 5% Government Bonds now in existence have only one and a half years to run and sell at 106, thus yielding about 1.78% interest on the investment. If these 5% Bonds had twenty years to run they would sell at 148, for at that figure they would yield 1.78%, and $10,000 of them would cost $14,800. Compare this with $10,000 of our

Gold Bonds which would cost $14,120 ($680 *less* than the Governments), payable in twenty instalments of $706.00 each, provided the purchaser happened to be 40 years of age.

The fact that the purchaser can pay for them in *instalments* makes them infinitely better than Government Bonds, because he can buy a much larger amount. But that is not all. The Bonds are *insured.* For, if the purchaser should die before the end of the twenty years during which the instalments are being paid, the *cost* of the Bonds *will be reduced* by the exact number of instalments which have not fallen due. This is shown by the following table:

COST OF $10,000 OF EQUITABLE 5% GOLD BONDS

WITH 20 YEARS TO RUN. AGE 40.

If the investor dies during the	1st year,	the total cost will be	$ 706.00
" " "	2d year,	" " "	1,412.00
" " "	3d year,	" " "	2,118.00
" " "	4th year,	" " "	2,824.00
" " "	5th year,	" " "	3,530.00
" " "	6th year,	" " "	4,236.00
" " "	7th year,	" " "	4,942.00
" " "	8th year,	" " "	5,648.00
" " "	9th year,	" " "	6,354.00
" " "	10th year,	" " "	7,060.00
" " "	11th year,	" " "	7,766.00
" " "	12th year,	" " "	8,472.00
" " "	13th year,	" " "	9,178.00
" " "	14th year,	" " "	9,884.00
" " "	15th year,	" " "	10,590.00
" " "	16th year,	" " "	11,296.00
" " "	17th year,	" " "	12,002.00
" " "	18th year,	" " "	12,708.00
" " "	19th year,	" " "	13,414.00

If he lives to the end of the 20th year, the cost will be $14,120.00, *less dividend.*

Contrast this with the 5% Governments with 20 years to run. Let us assume (for the sake of comparison) that $10,000 of these Governments *could* be bought on the instalment plan. What would be the result in the event of the purchaser's death during the first year? He would have paid one-twentieth of $14,800, namely, $740. Consequently to secure title to the Bonds, his estate would be forced to pay the balance—$14,060; or failing in that, the estate would be forced to relinquish all claim to $9,500 of the Bonds and be the happy possessor of one $500 Bond.

But someone may say, "As these Bonds are protected by insurance, would not the cost be higher if the purchaser's age is above forty?" The answer to this is: "Yes." But it is equally true that if the age be under forty, the cost of the Bonds is correspondingly reduced. Bear in mind also that the slight additional charge for the insurance *if the age is above forty* is a reasonable charge, and if taken into account must be offset by the two following important considerations: (1) The enormous reduction in the total cost of the Bonds if death should come prematurely, and (2) the very material reduction in the cost which every purchaser has a right to expect in the shape of a *cash dividend* after all twenty of his instalments have been paid.*

*See the dialogue in Chapter XV which carries this comparison a step further. Note the surprising fact that as the age of the investor increases, the cost of the Bonds grows less, *if the value of the assurance* is taken into consideration.

CHAPTER XIII.

THE PREVAILING LOW RATE OF INTEREST IS MONEY IN THE AGENT'S POCKET.

You may think the assertion paradoxical that the *low rate* of interest now attainable on first-class investments is a *boon* to the life assurance agent, but this is literally true, provided the agent has wit enough to profit by the fact.

Agents who represented the Equitable in 1859 were satisfied with $10,000 applications. In those days capitalists were not in the habit of taking policies for one or two hundred thousand dollars, *for investment*. One reason for this was that the legal rate of interest in this State was then 7%; and it was then easier to invest money in the safest and most conservative ways at 7% than it is to invest it with equal security to-day at 3% or 4%. This is one reason why the Equitable agent to-day has such a special advantage. Many an application is readily obtained for a large amount which men would not consider for a moment if they could get 6% or 7% on gilt-edged investments.

Look at the question from another point of view. In 1859 many a man with a capital of $100,000 had no apprehension about the future of his family, believing that in the event of his death his wife and children would

have a certain income of six or seven thousand dollars a year. To-day the man who is worth $100,000 knows that in the event of his death his family will have only half as much to live on as would have been the case forty or fifty years ago, *and yet the cost of living has doubled.* Here again the competent agent will see his opportunity.

Follow up all the prosperous men who have laid something by, but who are not millionaires, and in many cases you will find that they are loaded down with care and anxiety *which you can instantly remove.* In other cases you will find that these men have not waked up to the real significance of the situation. You will find many a man who accumulated capital a number of years ago, who figured out at the time that this capital would be a sufficient protection for his family. To-day that man has perhaps retained his capital intact without adding anything to it, but does he realize that, in order to produce the income, he needs *double* the capital which he needed not many years ago? How is he to make up this deficiency? He is older than he was, and has reached an age when he wants to live comfortably and does not want to work as hard as he did. You have only to show such a man that a few hundred dollars from his income every year invested in a Gold Bond contract, or a Continuous Instalment Policy, or some other appropriate contract of assurance, will instantly solve this difficult problem.

If you are interested in this subject (and if you are

a life agent it cannot fail to interest you) you may find it profitable to follow the arguments contained in the next chapter.

CHAPTER XIV.

HOW A MAN CAN KEEP THE INCOME ON HIS INVESTMENTS FROM SHRINKING.

The man described in the last chapter who is anxious lest his capital may prove inadequate for the support of his family in the event of his death, will do well to consider the advantage of investing in a block of Gold Bonds. (Or, he may be so situated as to find a Continuous Instalment Policy more appropriate, (1) because the investment is permanent, with no necessity for reinvesting the funds from time to time, at lower and lower rates of interest, and (2) because there can consequently *never* be any shrinkage in income, for the income is not limited to twenty years, but will continue undiminished during the lifetime of the beneficiary.)

Let us consider a Gold Bond contract (20-Year Endowment form) for $10,000 entered into by the Society with a man twenty-one years of age.

He pays the Society in advance $650.90, in consideration of which he receives

A CONTRACT OF SALE

EMBODYING THE FOLLOWING ADVANTAGES:

1. He is given a clear title to ten coupon bonds (of the denomination of $1,000 each) par value $10,000;

subject to his agreement to pay the balance of the purchase money ($12,367.10) in nineteen annual instalments of $650.90 each.

N. B.—Until paid for, these bonds will remain in the custody of the Society.

2. If the investor dies *before* the completion of the preliminary contract, the total cost of the investment will be reduced *by, so to speak, crediting his estate* with such unpaid instalments as have not fallen due. If, therefore, he dies prematurely, this stipulation will result in an *enormous* saving to his estate; and in the event of his death at *any time* before the last instalment falls due there will necessarily be *some* saving, as the following table shows:—

REDUCTION IN COST OF $10,000 OF BONDS

IN CASE OF DEATH.

In case	of death	during the	1st year,	the saving	would be	$12,367.10
"	"	"	2d year,	"	"	11,716.20
"	"	"	3d year,	"	"	11,065.30
"	"	"	4th year,	"	"	10,414.40
"	"	"	5th year,	"	"	9,763.50
"	"	"	6th year,	"	"	9,112.60
"	"	"	7th year,	"	"	8,461.70
"	"	"	8th year,	"	"	7,810.80
"	"	"	9th year,	"	"	7,159.90
"	"	"	10th year,	"	"	6,509.00
"	"	"	11th year,	"	"	5,858.10
"	"	"	12th year,	"	"	5,207.20
"	"	"	13th year,	"	"	4,556.30
"	"	"	14th year,	"	"	3,905.40
"	"	"	15th year,	"	"	3,254.50
"	"	"	16th year,	"	"	2,603.60
"	"	"	17th year,	"	"	1,952.70
"	"	"	18th year,	"	"	1,301.80
"	"	"	19th year,	"	"	650.90

Remember that the foregoing table records only *a part* of the advantage, because at whatever time the bonds are deliverable, their *market* value will be in *excess* of their face value.

3. If living at the end of the twenty years (all twenty instalments having then been paid) the bonds will be immediately delivered to the investor himself. Then, if he retains them, he will be certain of an income of 5% for twenty years, at the end of which time he will receive $10,000 in gold to be reinvested in any way he sees fit. Or if, instead of retaining the bonds, he should determine to sell them, he will be able to dispose of them at a premium.

4. In addition to this, in view of the fact that the business of the Equitable is conducted on the mutual plan, the purchaser will receive with his bonds at the end of the twenty years a dividend of surplus-profits.

It would be a great satisfaction to the Society, to the agent, and to the purchaser, if the *amount* of this dividend could be stated in the beginning, for then the exact amount could be deducted from the purchase price, thus showing in advance the *net* cost, but whatever the *amount* of the future dividend may be, its value must not be overlooked by the purchaser in considering the advantages of this form of investment.

Turning again from Gold Bonds to the Continuous Instalment policy, note how strong and how numerous are the arguments in favor of that contract as compared with ordinary investments. If a man buys a block of

bonds, or puts his money out on bond and mortgage, the time is sure to come sooner or later when the money will fall in and must be reinvested, and it is morally certain that when that time comes (1) it will be harder than it is to-day to find a satisfactory channel for reinvesting the money, and (2) the rate of interest attainable will be lower than is the case to-day. Again, there is a chance that when that time comes, the person who made the original investment will be dead; and it is a question whether his wife or children for whom the investment has been made will have the same facilities, or the same business experience to guide them. Moreover, there is always a danger that persons thus situated may either allow the money to lie idle, or squander the whole or a part of it, and thus be deprived of the whole or a part of the income necessary for their future support. Contrast this with the result where the husband or father has purchased for his wife or daughter, or some other dependent, a Continuous Instalment Policy. The gross price varies, of course, according to age, but the amount of this gross price is in every case absolutely *known* in advance. The net price can only be determined at the death of the assured, or at the end of the accumulation period when the dividend accrues and reduces the cost of the investment. But as far as the *beneficiary* is concerned *there can be no uncertainty.* No time will come, either at the end of twenty years, or at any other time, when it will be necessary to look for a new channel for investment. If the income guaranteed

under the contract in the beginning is $500, or $1,000, or $5,000, that amount will be paid the beneficiary with absolute certainty *for life*, even if the beneficiary should live to be a hundred years old. Whatever the future rate of interest realized on ordinary investments may be, there can be no diminution in the income from this investment. If it is $500 in the beginning, it will be $500 forty years later if the beneficiary lives that long. There can be no danger of any temporary suspension of income. There can be no danger of any shrinkage. There can be no danger that the money will lie idle and the income be intermittent. There can be no danger that loss will occur in changing from one form of investment to another. The income is guaranteed by the Equitable —" THE STRONGEST IN THE WORLD "—and whatever uncertainty there may be about the other property of this investor, this he may be sure is guarded and protected in a way which is as absolute and complete as anything human can possibly be.

ANNUITIES.

There is another form of investment which every representative of the Equitable ought to keep constantly in mind, and to which the arguments used above apply with equal force, namely, to Annuities. Have you looked into the great variety of Annuities issued by the Equitable: Joint Life Annuities; Deferred Annuities which may be paid for in annual instalments and which begin to yield enormous rates of interest after an interval of years;

Annuities applied for by an investor but based on the life of his wife or daughter, or some other dependent? Remember that in a case where a man applies for assurance and is unable to pass a satisfactory examination, the agent can often save his customer by advising him to take an Annuity on his own life, which requires no examination and will give him support during his old age, or on the life of his wife or daughter to give her an income for life after his death.

CHAPTER XV.

A GOLDEN OPPORTUNITY.

HOW TO SELL GOLD BONDS.

It is not to be supposed that the adroit agent will find it necessary to talk as much as the agent figuring in the following dialogue. It has been written rather to train the mind than the tongue. If the agent gets all the arguments fixed in his mind, logically and chronologically, he can in conversation select those which will best serve his purpose. The facts in this dialogue are all stated elsewhere, but here they are brought together in regular sequence.

SCENE I.

CAPITALIST'S OFFICE.

Capitalist—So you want to sell me some of your Gold Bonds?

Agent—Yes, and I intend to make you a proposition which you can't afford to decline.

Capitalist—What is your offer?

Agent—I can sell you a block of $200,000 of bonds, or $100,000, or—

Capitalist—But I have only seven thousand dollars to invest.

Agent—You are about thirty years of age?

Capitalist—I was thirty-five last October. But what has that got to do with it?

Agent—I'll explain later on. But first let me show you that these are the best bonds in the market and that you can secure them at a bargain.

Capitalist—What is the price?

Agent—The rate is $68.22 per thousand.* If, therefore, you will pay me $6,822 you can have $100,000 of bonds.

* Twenty Year Endowment form; age 35, premium $68.22.

Capitalist—I don't understand.

Agent—Let me explain. If you buy these Bonds, you need not pay for them in advance. It will only be necessary at present to pay one-twentieth part of the purchase price. If, therefore, you are prepared to pay the first instalment to-day ($6,822), I will give you a full year in which to prepare for the payment of the second instalment; and so on until you have paid the whole.

Capitalist—Are these Coupon Bonds?

Agent—Yes. Here is a specimen Bond. And while you are examining it I will fill out this Subscription Blank for your signature.

[Agent fills out Subscription Blank; secures capitalist's signature; collects first instalment; introduces capitalist to the doctor who examines him, and then forwards the papers to the Society.]

SCENE II.

CAPITALIST'S OFFICE, A WEEK LATER.

Enter agent with "Contract of Sale," which he hands to capitalist.

Capitalist—What is this? Where are my $100,000 of Bonds?

Agent—They are in the vaults of the Equitable Society.

Capitalist—But why don't you deliver them to me?

Agent—Because you have only paid one-twentieth part of the purchase price. The transaction will not be consummated until after you have paid the remainder of the purchase money; meanwhile this "Contract of Sale" protects you absolutely.

Capitalist—Now I begin to understand. But how does this "Contract of Sale" protect me?

Agent—Read the first page of the Contract, and you will see. The Contract fully describes the transaction, and binds the Equitable to carry it out; and you will observe that attached to the Contract is a sample Bond. Hence, if you put this Contract of Sale, with the sample Bond attached to it, in your safe, you or your lawyer, or your executor, will have at hand a full record of the transaction, which may be consulted at any time.

Capitalist—Suppose I should get tired of these instalments; am I bound by this agreement to continue to pay them?

Agent—Not at all. You are absolutely free to end the transaction at any time. The Equitable is bound by the agreement, but you are free to do as you please; and that is one reason why the Bonds themselves cannot be delivered to you in advance.

Capitalist—But if I pay three or four instalments and then quit, I shall lose all that I have paid?

Agent—By no means. The Contract of Sale has a guaranteed surrender value, which increases from year to year, and which will be paid by the Equitable if you decide to surrender the contract.

Capitalist—But suppose, after paying a number of these instalments, I should be hard up and find it impossible to continue my payments? Would it be necessary in self-protection for me to take the cash surrender value of the contract, and thus lose my Bonds?

Agent—That danger has also been provided against, for you can borrow money from the Equitable, using the Contract of Sale as collateral security for the loan. This is one of the great advantages of this investment. Provision is made by which in case of necessity the money already invested with the Equitable will enable you to protect and continue the transaction to completion.

Capitalist—When the time comes for the Bonds to be delivered to me, can I dispose of them for cash if I should need the money?

Agent—At that time the market price of the Equitable Society's New Gold Bonds will be at a premium of 30%; that is to say, the Society will, if you so desire, pay you $130,000 instead of issuing the $100,000 of Bonds. But if you keep them you can collect interest in gold on them semi-annually at the rate of 5 per cent. per annum for twenty years, after which the Bonds will mature and be paid in gold, and the money may then be reinvested.

Capitalist—Well, all this is interesting, and I am perfectly satisfied. But I want you to know that I am making this investment chiefly because I have confidence in you, and because you tell me that it is the best thing I can do with my money.

Agent—It is true that in my judgment this is the best investment you can make, and I appreciate your confidence; but my relation to this transaction is simply that of a banker or broker. I act as your agent to negotiate the transaction. Hence, it is important for you to see clearly for yourself why I recommend

the investment. If you know of your own knowledge that it is better than any investment you could make in Government bonds, or railroad bonds, or other securities, then you will be all the more appreciative of my services, and will be sure that you have acted shrewdly.

Capitalist—I am satisfied that I am taking a wise step, and I understand in a general way the value of the investment, but, all the same, I should like to hear what more you have to say in its favor.

Agent—I should tire you out if I took time to give you all my reasons. Read the Contract of Sale, and every paragraph will add to your appreciation of the value of this purchase. All I can do now is to call your attention to a few salient points. Here they are:

1. The Equitable Society is the strongest of financial organizations. It is acknowledged everywhere as "the strongest in the world." Its Bonds, therefore, are practically as safe as Government bonds, and they have a value which Government bonds do not possess. This I will explain later on.

2. As already explained, you are free to terminate the contract, and to surrender it for its guaranteed value at any time after three instalments have been paid.

3. The Equitable guarantees to lend you money on the Contract under most liberal conditions.

4. The Bonds and the income on the Bonds are payable in gold.

5. The rate of income on the Bonds (5%) is high, and guaranteed for a long period (20 years).

6. The Equitable Society has been in business for over forty-two years; its management has been more successful than that of any other company; and its business is conducted on the mutual plan, which means that you as a purchaser of a block of Gold Bonds will be entitled to a reduction in the purchase price of the Bonds at the end of twenty years. In other words, you will then receive from the company a cash dividend representing your full share of the company's surplus profits, as explained in the Contract of Sale.

Capitalist—But if I should die, would it be necessary for my estate to continue the payment of these instalments until the end of the twenty years?

Agent—Now you touch upon an advantage which is in some respects more important than any of the advantages already

named. Although this advantage is incidental it is the one characteristic of this transaction which makes it so different from an ordinary investment, and which justifies the assertion that it is safer and better than any investment in railroad, or even in United States, securities.

Capitalist—Really! You are becoming interesting. What is this special advantage?

Agent—I have purposely kept it to the last, in order that I may so impress it upon your memory that you may never lose sight of it; and if you never lose sight of it, you will never cease to rejoice that I have put you in the way of making this investment; and if this is your attitude permanently—as it ought to be—and if you ever wish to realize on any of your investments, you will hold fast to these Bonds and sell something else.

Capitalist—Well, drive ahead. I am not growing tired, but time flies.

Agent—Only a word more and I am through. Now, the Equitable Society, which has sold you $100,000 of its New Twenty-Year 5% Gold Bonds, is, as I have said, a great financial organization—"the strongest in the world." But it so happens also that it is engaged in the business of life assurance. It has at the present time policies outstanding whose aggregate amount exceeds one thousand million dollars of assurance (and it has, by the way, a Surplus of seventy-one million dollars—"the largest in the world"). Now, as the Equitable is an assurance company, it is able to insure, and does insure, the transaction it has made with you.

Capitalist—What do you mean by that?

Agent—I mean simply this: That if you should die to-morrow, the Contract of Sale which you hold in your hand would instantly mature, and the executors of your estate would at once receive $100,000 of Gold Bonds fully paid.

Capitalist—Do you mean to say that the Bonds would be delivered at once?

Agent—I do.

Capitalist—And do you say that the remaining nineteen instalments would be canceled?

Agent—I do.

Capitalist—How is that possible?

Agent—It is possible, because the transaction, as I have said, is insured. The Equitable agrees, in this Contract of Sale, that if the purchaser should die at any time before the maturity of

the contract, any instalments that have not fallen due prior to his death will be canceled and the Bonds be immediately deliverable. In guarding this investment by adding to the contract the protection of life assurance, the purchaser obtains an investment doubly secured: financially secured by the guarantee of the "strongest company in the world"; secured against the loss and embarrassment resulting from the premature death of the purchaser by the protecting influence of life assurance.*

Capitalist—So you think I have made no mistake?

Agent—No! You have bought the best Bonds in the world, and the value of your Bonds is insured by the "strongest company in the world."

Capitalist—Well, I am satisfied!

---

*In this case the assurance part of the contract is on the basis of a Twenty Year Endowment. In all cases where the purchaser is a man of means and not advanced in life, it is best to offer these Bonds on that basis: 1st—Because the Endowment Contract is clearer and simpler than on any other form. 2d—Because the instalments are limited to a period of twenty years; and 3d—Because at the end of twenty years the Bonds are delivered to the purchaser himself. (Only in the case of an old man is a Fifteen Year Endowment preferable.)

After explaining the Endowment form, it is easy to turn to the Twenty Payment Life (or in the case of old men, to the Fifteen Payment Life), which has the great advantage of becoming fully paid up after twenty years.

But there are many who cannot afford the Endowment or Limited Payment rate. To such, a contract on the Ordinary Life form can be advocated to great advantage. The Gold Bond under such a contract is precisely the same. It runs for the same period and bears the same interest, and if the investment be made for the benefit of wife or children, or for any other person dependent for support on the purchaser, it is an ideal contract, for the annual cost is, comparatively speaking, moderate, and the moment the purchaser dies and the wife or other dependent loses his support, the Bonds will be issued and the income on them will begin, and the beneficiary will—just at the right time—enjoy the relief contemplated by the purchaser at the time his investment was made.

NOTE.

It is gratifying to call attention to the fact that the Capitalist referred to above did not die the day after the transaction was consummated. He continues in the best of health, and has every expectation of living to the end of the twenty years, and of receiving himself his $100,000 of 5% Bonds. If, therefore, it be objected that, in the case cited, the $100,000 of Bonds has not cost "less than $7,000" (*i.e.*, at the rate of $70 per thousand), it may be answered: 1st—That they have cost less than that per annum. 2d—That they would have cost less than $7,000 if death had intervened (and life is always uncertain); and 3d—That while death has not intervened in this instance, it has in other similar cases. It is a fact that the Equitable has sold many thousands of blocks of Gold Bonds, and already there have been several instances where death has occurred after only a few instalments had been paid, and where the Bonds, being insured, have been issued instanter. For example:

(a) On June 3d, 1899, Mr. Thomas A. Bell, of Winnipeg, Manitoba, purchased $10,000 Gold Bonds, the preliminary contract being numbered 919,931. On November 11th, or less than six months afterwards, Mr. Bell died suddenly, and the $10,000 of Bonds were issued to his estate, and although only one instalment had been paid, the other nineteen were at once canceled.

(b) On September 9th, 1898, Mr. Albert Van Wagenan, of Boston, Mass., took out a preliminary contract (Number 879,505) entitling him to $15,000 of Gold Bonds. Mr. Van Wagenan lived to pay the second instalment, but on December 21st, 1899, he was killed in an elevator accident in Boston. Thus for the payment of two instalments his family received $15,000 of Gold Bonds.

(c) In 1898, Mr. G. W. Timerman, of Evanston, Ill., bought $10,000 of Gold Bonds under contract No. 876,917. In 1899, before the second instalment became due, he died, and Gold Bonds for $10,000 (par value) were issued to his family.

CHAPTER XVI.

THOSE WHO BUY ANNUITIES OR BECOME PARTIES TO LONG ASSURANCE CONTRACTS SHOULD BE CONTENT ONLY WITH THE STRONGEST COMPANY.

It is easier to assure a man of wealth for $100,000 than to assure ten men of moderate means for $10,000 each; and yet the return to the agent is the same in either case. Again, men of moderate means usually pay their premiums out of their *earnings,* while men of wealth are, in these times, at their wits' ends to find secure investments for their *capital.*

It is no new thing for multitudes of such men, to whom life assurance is not a *necessity*, to invest some of their capital in policies or assurance bonds. If, then, such men have seen the wisdom of this during periods within which they have been able to invest their money at *liberal* rates of interest, how much more forcible will an investment with the Equitable appeal now to an enormously larger number of our wealthy citizens than has been the case heretofore!

Observe the increasing favor with which Annuities are regarded by men of means in this country. See to it that the Equitable obtains its full share of this business. As a matter of fact, if the agents of the Equitable will

lay its Annuities in a proper light before financiers, they will enjoy a supreme advantage over the agents of other companies, because of our superior strength and more conservative management.

We advise you to place Annuities in your field through the officers of the banks with which you have affiliations, remunerating them for services rendered. Bankers and financiers cannot fail to appreciate the advantage of offering Annuities issued by the strongest financial institution engaged in the business of selling Annuities—for people who place their capital in this way recognize the importance of the absolute, permanent security of the institution on which they must depend for the income from the Annuity as long as the person lives on whose life it is based.

Some of our competitors, as you very well know, notwithstanding the fact that their financial strength is far inferior to that of the Equitable, are now, in the heat of competition for new business, departing from scientific methods and transacting business on bases which tend to sap their financial strength. Bankers and capitalists will appreciate, and be interested in, the position taken by the Equitable as contrasted with that of some of its competitors if you will take the pains to state the case forcibly and concisely in a manner which will be understood by men whose minds are trained by their experience in guarding and investing capital. Why should a man buy an Annuity from a company that seeks to increase its assurance business by accepting extra haz-

ardous risks without extra charge; or from a company whose guarantees to those who surrender their assurance prematurely are in excess of the reserves resulting from the premiums charged, when the Equitable offers Annuities at the same price on identically the same terms as these less carefully conducted companies?

If the Equitable's financial strength is far superior to that of its competitors at the present time, after all the prominent companies have been transacting business for many years on substantially the same basis, what will be the relative financial standing of these companies twenty or thirty years hence? Who can say what contrasts will then be shown? The Equitable is determined to adhere to sound scientific methods, and it is difficult to see how other companies that have entered upon reckless courses can readily retract and return to conservative bases without stultifying their management and probably checking their progress. Which, then, is to be preferred for the future by capitalists and financiers?

What is true of Annuities is true also of the Equitable's Bonds and Policies. Our contracts are as liberal and contain as many and as favorable guarantees as the science of the business justifies. We do not seek to draw into the Society's ranks those who have no intention of *maintaining* their contracts. We prefer to transact our business chiefly among substantial men who come to stay; who care less for temporary benefits than for ultimate advantage, and who are engaged in regular pursuits, live healthy lives, and reside amid wholesome sur-

roundings. Such a course means more profit to continuing policy-holders. To such men we say: "The form of Policy, or Bond, or Annuity which you purchase is important; the guarantees contained in the contract are important; but the company itself, and its financial standing and measures for earning profits, are the most important. And the best policy to take is one issued by the company which has, (1) the greatest financial strength; (2) is so transacting its business as to earn most surplus for its policy-holders; (3) guarantees at the end of a stipulated period the entire reserve justified by the premiums charged, and (4) guarantees in addition that to this reserve shall be added the policy's full share of the surplus profits realized under an active and successful, but at the same time a prudent and conservative management."

A man of wealth can readily be interested in assurance for the protection of his investments. Such a man realizes that although his money may be well invested in houses, stores, land, mines, ships, etc., yet at his death there may be very little ready money to his credit or within reach of his executors. He realizes that money might be needed then and might have to be raised by borrowing or by selling, either of which might be costly and troublesome. Life Assurance obviates the necessity of any such sacrifice. *It protects the investment.*

Property may be well bought, investments may be carefully made, but *their immediate value is represented by just what they will bring under the auctioneer's ham-*

mer. Conservative financial institutions refuse to loan on property more than one-third, or, at the most, one-half of its estimated value, because it might not bring more if it had to be turned into cash at once—and property often has to be turned into cash at the death of the owner.

Every man who gives a mortgage should carry a policy of equal amount, for at his death the policy will pay the mortgage.

In fact, any business man who gives the matter careful consideration will acknowledge that, as a matter of business, he should no more invest extensively in any enterprise without protecting his investment by Life Assurance than he should buy a house without protecting his investment by Fire Insurance.

You have an opportunity to-day which you have not had before. You have grounds upon which you can go to the wealthiest men in the community and secure their undivided attention, gain their absolute confidence, and brush aside the competition of the agents who represent companies whose officers give *secondary* importance to the considerations which financial men all the world over regard as the *first.*

CHAPTER XVII.

LIVE AND LEARN.

Even if you are the oldest agent on the face of the earth, you have still something to learn. Keep your eyes and ears open and you will see or hear something to your advantage every day of your life.

The other day I read with profit and relish a book issued by a rival company, and I have culled from it the following paragraphs for your instruction:

The agent is cautioned against scattering his energies. Better a little field well tilled than a big one half worked.

Never traduce a rival company; all are striving for a common object, and confidence disturbed in one is disturbed in all.

Push your work quietly; the still hunt is the one that tells. Stick to your field; one place is as good as another; don't skim over it, dig deeply.

Be judicious in canvassing; all people are not to be approached alike. Don't talk too much; let the person you are canvassing have his say and get his information in his own way.

Never get excited. Keep cool. Be patient. Use tact.

The perfect agent is he who secures the largest amount of first-class new business—the least ratio of lapses, and the lowest average death rate.

A common fault of the unsuccessful agent is the failure to collect the first premium when securing the application.

Be ready to meet all objections. The time will never come when policy holders will not be more or less disturbed by rival companies, co-operative deceptions, the advice of ignorant friends, the malice of enemies, the blackmailing attacks of certain papers. Pick up every useful fact about the business you can. Seek light on all doubtful points. Thus equip yourself so as to defend your business and hold your own against all odds.

A careless and shabby attire and a rough demeanor are not passports to success. Many withhold confidence and patronage from men who, having little apparent respect for themselves, cannot inspire it in others. The majority of agents are careful in this matter, and deserve commendation for the proper pride shown in the neatness of their personal appearance. Others are indifferent in this respect, much to their own and the company's detriment.

A company or a business is largely judged by the men who advocate it, and no amount of persuasive power or knowledge or experience will counteract the prejudice formed by a shabby solicitor.

It is hardly necessary to say anything to *Equitable* agents about their personal appearance, but it *is* worth while to impress upon them the truth of the statement that in ninety-nine cases out of a hundred the applicant will judge the *company* by the *agent*. While it is important, therefore, that the agent should be well dressed, prosperous in appearance, with his pocket-book, and every document it contains, neat and clean and trim, there is one thing that is even more important. Pudd'nhead Wilson says: *"Be careless in your dress if you must, but keep a tidy soul."* The walk and conversation of the agent must be such as to inspire *confidence*. Then he will satisfy every applicant that his *company* can be depended upon, because *he* can be depended upon.

CHAPTER XVIII.

GO TO THE DENTIST, THOU AGENT; CONSIDER HIS WAYS AND BE WISE.

A certain dentist was so considerate of the feelings of his patients that he drew their teeth on the instalment plan. After a preliminary pull, "to loosen things up," he would send a patient away and tell him to come in a week and have it out. Somehow that dentist didn't thrive.

Now, the business of the life agent is to extract premiums from applicants, and the quicker he is the less pain he occasions. And what joy to the applicant when the thing is done! And if the agent has nerve and knows his trade, and administers a little laughing gas as a preliminary, he can extract the premium without inflicting *any* pain.

"What!" says the applicant, "is it out? I never felt it! I thank you from the bottom of my heart for this relief. You have added to my riches, and the aching anxieties which I have had for years about old age and the future of my family are all things of the past."

Why should the agent lose his time, and add to his labor, and increase the difficulties of his task, by giving a series of inadequate pulls, when his client, after signing

the application, has a pen in his hand with which to sign his check?

All this is so obvious that the question may be asked, "Why, does it ever happen that an agent *fails* to collect the first premium in advance?" Of course, the shallow agent will have many reasons at the tip of his tongue. He must not press his customer too hard. He must not appear to be grasping. He must not exhibit a mercenary spirit. He must wait for a more fitting season, etc., etc. Every agent must, of course, exercise common sense; there may be occasions, now and then, when it would be preferable to postpone the collection of the premium until a later date. But such cases are not the *rule;* they are the *exception,* and they are the exception because it is *better for the applicant* if you collect the premium when you secure the application.

Have you ever thought of looking at the question from the applicant's side? Has it ever occurred to you that while it is important for *you* that the premium should be collected in advance, it is infinitely more important for the *applicant?* Once upon a time our Assistant Registrar, after attending to the business of the morning, discovered that he had a slight pain in his side, and went home to rest until the following day. The next afternoon he was in the hospital, and had undergone an operation for appendicitis. To-day he is perfectly well, but the surgeon reported that his recovery was almost a miracle, and that if he had neglected his case a few hours longer, that would have been the end of him. Now, if

he had applied for a policy the day before he felt the pain in his side, and if he had failed to pay the premium, and if his surgeon had been a less skillful man, the assurance applied for would have been *irrevocably* lost. As it is, he must wait some time before he can secure *new* assurance. But let me instance another case, about which I have been reading in the newspapers. A resident of Boston, so the newspaper alleges, applied to a certain company for $240,000 of assurance. The risk was accepted, the policy was issued, but the premium remained unpaid. A few weeks slipped by. Then a lawyer appeared at the office of the company, paid the premium, took up the policy, and withdrew. Two days later it was rumored that on the day the premium was paid, or the day after, the applicant had been operated on for appendicitis and had died under the knife. I know nothing of the merits of this case, or if the facts are as here quoted, and it is on account of this very ignorance that I select it to illustrate my point. Now, if the agent had collected the premium when he secured the application, and if the fact had subsequently been demonstrated that, as in the case of our Assistant Registrar, this gentleman's attack of appendicitis had come as a surprise to him and to his physician while he was seemingly in rugged health, after he had applied for his assurance, and after he had paid for and received his policy, then the estate of this gentleman would certainly be more than $200,000 better off than it was before this assurance was applied for. Nor is this all. If these

were the established facts, there could be no possible question as to the motive or good faith of the assured or his representatives. But what is the situation to-day, as indicated by the newspaper account of this transaction? Instantly a suspicion is aroused as to the good faith of the applicant, who is dead and unable to testify in his own behalf. It is the manifest duty of the company not to connive at a fraud. Hence it cannot admit the claim if fraud is suspected; and even if it should be proved that the company is liable, and that the delay in the payment of the premium was due altogether to innocent causes, think of the delays, and anxieties, and annoyances, and expenses which, although unavoidable now, might all have been avoided in the beginning.

Every agent will think of thousands of other illustrations of the danger of delay, and every agent should remember that even if he is not prompted to collect the premium in advance *on his own account,* he owes it to his client to collect the premium when the application is signed *on his client's account.*

CHAPTER XIX.

THE RIGHT POINT OF VIEW.

The permanent success of the life agent depends very much upon his *point of view.*

There are two ways of getting something to eat off a piece of land. One is to hunt about casually and pick the wild berries and nuts that chance to grow there. The other is to cultivate the ground and raise a crop.

These papers are not intended for the casual agent who goes into the business as a temporary makeshift. Nor is the Equitable conducted for the benefit of such agents. The officers of the Equitable take pride in the fact that the agents of the Society are a body of representative men who are proud of their calling and their company, who are not in the business for a day, but who plow, and plant, and *spend their own money* for the best reaping and threshing machines, and build barns in which to store their harvests. Moreover, they spend their money to enrich the land, so that instead of being soon exhausted, it shall continue to produce crops ever increasing in volume and value.

The point of view of the Equitable agent (to change the figure) should be that of the Commander-in-Chief of an army. What would be thought of a General who made no effort to prevent desertion? Why is it that the

punishment for desertion is sharp and swift? First, because when desertions occur there is danger that those who remain will become disaffected and undisciplined. Second, because by desertion the forces are weakened numerically. Third, because deserters usually go over to the enemy, thus increasing the enemy's strength.

Now, the agent's forces are his policy-holders. Every policy-holder who deserts does an incalculable injury to the agent; and the loss of the renewal commission may be but a small part of that injury. The man who allows his policy to lapse is a deserter. Even if he never says a word against life assurance, he nevertheless becomes a stumbling block in the path of others, because actions speak louder than words. But those who allow their policies to lapse are seldom merely inert obstructions. They are usually dissatisfied, and even if they do not go over to the enemy, they are likely to exert an active influence against the agent.

Keep your policy-holders in line. Spend money and time and labor if necessary, to prevent them from straggling. Then you will have an efficient, well-disciplined army of policy-holders that will fight your battles for you and conquer your foes.

The same arguments hold good in reference to all settlements with policy-holders, such as the adjustment of Deferred Dividend policies, the cashing of endowments and the payment of death claims. If the point of view of the agent is, "These are transactions in which I have no pecuniary interest. I ought not to be asked to waste

my time over them. I shall dispatch them as quickly as I can," he will lose many golden opportunities. His crop will be inadequate because of his failure to expend time and labor in *preparing the ground.*

If the agent depends in any degree upon others, he should see to it that each one under him has the right point of view. It is easier to rouse the anger of a policy-holder who comes into the agent's office than to put him into a good humor. When everything goes well policy-holders stay away. When they have something to complain of, or need information, they call; and they must be dealt with patiently, and with tact and intelligence. And if your assistant, or clerk, *or the office boy,* fails to take the right point of view, he should be warned; and if after that he fails to reform, his services should be dispensed with. One disgruntled policy-holder is like a neglected weed, which may scatter its seeds all over the farm, and be responsible for a crop that will choke and stunt the growth of the grain you have planted.

Then the agent should see to it that the *policy-holder* has the right point of view. This is a broad subject, and is deserving of careful consideration, but its discussion must be postponed for another chapter.

CHAPTER XX.

THE RIGHT POINT OF VIEW.—*(Continued.)*

It is important for the agent that the policy-holder should regard his assurance from the *right point of view.*

To illustrate this, let me indicate to you my own point of view regarding my own assurance—for I am not offering medicine which I am not willing to take myself. It is natural for me to think that, from my familiarity with the business, and my observation of its workings, I have the right point of view. If I am correct in this, then there are a vast number of policy-holders who have the wrong point of view, because many of them look at their investments in life assurance very differently; and if their way is wrong, it will pay the agents whose clients they are to enlighten them.

I have a number of policies on my life, and the one which gives me most satisfaction is one for $8,000 (on the annual dividend, ordinary life plan) which I took almost before I had reached years of discretion, and before I had any thought of marriage. I took it simply because I believed in life assurance and wanted to force myself to save a little money from year to year out of my slender income. I have never stopped to add together the premiums I have paid on that policy, for now I have a family to support, and no matter how long I

live, I hope to leave a round amount of assurance for the settlement of my estate; and so when I come to pay the premium on this $8,000 policy—a premium which, less the dividend, is not much more than $100—I congratulate myself that I took this policy when I was young, because of all the active policies I carry, I get from this the most assurance for the least annual outlay. I wish I could have taken more of the same kind at the same time.

The man who lives long and pays premiums for many years should look at his assurance as he looks at the rent he pays for the house in which he lives or as he views any other *annual* expense. It is so much a *year;* it is at such and such a *rate.* What man would be fool enough to insure his property against fire if the only consideration were the relation between the amount of the insurance and the aggregate to be paid in premiums during a long series of years? You will find in London many a building that has been insured for a couple of centuries; but does the owner allow his policy to run out because he and his ancestors have paid premiums on it for two hundred years—which premiums, if added together, would make a sum altogether out of proportion to the amount of the insurance? Certainly not.

I have on my own life another policy which gives me a great deal of satisfaction. It ended its accumulation period several years ago, and I determined to continue it as a paid-up policy for its full face value. It had not been a cheap policy, but it can never give the least trouble

hereafter, because the premiums have all been paid. It is in my safe, and I need never look at stock lists or real estate records to find out whether there has been any shrinkage in its value. It is a definite amount which my executors can surely obtain for the asking when they need it.

Another of my policies is for $35,000. It is a fifteen-payment life, with a fifteen-year accumulation period. It is on a more expensive form, but was issued at an older age, consequently the premium is $1,507.10. I take great satisfaction in this policy also, but for other reasons. Its period will end in a few months. I shall then be able to draw the reserve, $17,575.25, and I shall also be able to draw the surplus. Some years ago in making an inventory, I made a memorandum in reference to this surplus. I deliberately cut in two the amount of surplus the company was then paying, and put the reduced amount down in my inventory. I said to myself: "One thing is certain and that is that the dividend will be larger than the amount I have put down. How much larger I cannot tell, but I am *sure* that at least the amount I have recorded will be forthcoming." Now, as the time for payment approaches, it gives me a great deal of satisfaction to feel that the profits (barring unforeseen accidents) will be very much what they were when I made my calculation, so I count on getting a considerably larger sum than my inventory calls for. My point of view is such that I *cannot* be disappointed, and

I am likely to be highly gratified. If, as some people have done, I had fixed my attention on estimates made years ago, when conditions were altogether different, I should be laying up disappointment for myself. My point of view in that case would be unfortunate.

Then again I take great satisfaction in all my policies, because I remember the comfort I have had from the *protection* they have given me all these years. I take great satisfaction in the thought that when my deferred dividend policies end their periods I shall have the right to continue them. What a mistaken point of view it is for the policy-holder to consider only on what terms he can *get rid of* his assurance! How much better it would be in the long run for *agents* if they would more frequently use their influence to keep policies in force at the end of their periods (utilizing the surplus, perhaps, for additional assurance) rather than to advise the surrender of the old policy for cash.

CHAPTER XXI.

THE RIGHT POINT OF VIEW.—*(Continued.)*

We have seen that no agent can succeed who regards his business from a *wrong point of view,* and we have seen that it is equally important for the agent to see to it that his policy-holders have the *right point of view.* Let us still further illustrate the latter proposition by considering the case of an old policy-holder, whose assurance was issued before deferred dividend policies (guaranteeing the full reserve in cash at the end of the period) had ever been heard of. He feels that his premium is a burden; and he sees that there is no way of shifting the burden. Moreover, he counts up the number of years during which he has been paying premiums, and adds the premiums together. From his mistaken point of view he imagines that he has good reason to complain, and perhaps the agent may say, "There is no use of bothering with this old man. He will be out of the way before long. There is nothing to be gained by troubling myself with his case." But old men are garrulous, and younger men may listen to their advice. Besides, this policy-holder has sons who need assurance, and you need *his* influence in getting at *them.* Moreover, he has a daughter who is about to be married, and if you are on friendly terms with the old man,

you can show him that for his own protection he must exert his influence with his son-in-law so that if the son-in-law dies there shall be assurance to take care of the widow. By patient care you can cure this sorehead, and indirectly the advantage to your business may be very great.

What proportion of the hundreds of thousands of men in the United States who own life policies are alive to the fact that *all* these policies, if kept in force, will sooner or later *certainly* be paid? Think of the multitudes of investments into which men all over the country have put their money that have become worthless! If a man looks at this question from the right point of view, he will see that every life policy is not only a protection, but an *investment*. A fire policy is only a protection, but every life policy issued by a responsible company *must mature and be paid some day* if the owner holds fast to it. What a fool a man is, therefore, after investing in a policy at the advice of an agent, to throw it away at the end of a year or two on the ground that he cannot afford the "expense"! What a fool a man is if he chance to be a little hard up to "economize" by throwing to the winds his share in the millions of assets of a great financial institution, to which he has secured a title! What a fool a man is who, after carrying a policy for a number of years for protection, throws a valuable investment away simply because his prosperity has increased and he no longer *needs the protection*. If such a man had the right point of view (the point

of view from which he regards his investments in stocks and bonds) he would see that to abandon a policy under such circumstances is precisely like throwing some of his railroad bonds into his scrap basket because he has grown rich, and has many more bonds than he expected to have when he began to invest.

How much could be done if every agent of the Society would take every opportunity to explain to his policy-holders that they ought to *turn square round* and look at life assurance from an altogether new point of view. There are a few men who already have the right point of view, but only a few.

How many policy-holders understand what it means when their attention is called to the fact that the business of the Equitable is conducted on the mutual plan? How many of them recognize the fact that they are, in a sense, members of the Society; that they are assuring their own lives; that they are accumulating surplus for their own profit; that they are paying the claims of members who die; that they are the ones who suffer if the Society is injured through the desertion of policy-holders; that if the Society takes extra hazardous risks without extra charge, they must pay for it?

How many policy-holders recognize the fact that they are supremely fortunate in having their assurance in the Equitable, because the Society is so conducted that they secure the largest profits consistent with the greatest security?

How many policy-holders recognize the fact that by

co-operating with the agents in keeping members from drifting away, in bringing new and desirable risks to the Society, in saying a good word for life assurance and for their own company from time to time, they will increase their own pecuniary profit?

CHAPTER XXII.

OFFICERS CAN GIVE POINTS TO AGENTS.

These papers are for the instruction of agents, but some one may say: "How can those men who are shut up in an office teach the men who are in the field? What can the officers know of the difficulties with which the agents have to contend?"

These are fair questions, and are worth answering.

Well, a man may be able to make an excellent rifle, and yet not be a good shot. It does not follow, therefore, that the office man cannot give valuable hints to the field man. Besides, you may have heard that some of the Equitable's officers have been first-class solicitors.

You remember the story of the train starter who discovered that he had made a blunder in sending out a certain train. Instantly he telegraphed for doctors and ambulances, and sent a wrecking train off along the line. Nothing had happened, no accident had occurred, *but he knew that later on at a certain place and at a certain time there would be a collision.* He was not driving either of the distant locomotives that were moving swiftly toward each other, but he knew what their own engineers did not know, namely, that both trains were in deadly peril; that a multitude of passengers would lose

their lives. There is a moral to this story, which is that the officers *must* know how to run the business and *must* conduct it wisely, in accordance with that knowledge, or the agents and policy-holders will suffer. But my object in repeating this story is not to point a moral, but to illustrate the fact that an official at headquarters may be in a position to know a great deal about what is going on beyond his own field of vision, and may at times see and understand the movements of others who are ignorant of the full significance of their own actions.

The officers of a life company at headquarters are at a central point, to which information about the work of the entire field converges. Do you suppose there is any sort of difficulty or perplexity with which the agents have had to contend concerning which the officers are ignorant? No; if one agent does not inform them, another is sure to do so.

For many years the officers of the Equitable have been students of life assurance. The younger officers have profited by the counsel and experience of their elders, and have taken up the development of the work at the point to which it had been brought.

We are not only familiar with the methods employed by the agents now in the field, but have watched those of earlier generations. We know perfectly well the qualities which made Henry H. Hyde, of Boston, the most successful solicitor of his day. We know why men like Brawner, and Jennison, and William T. Blod-

gett, and other early Equitable agents, succeeded, and why this success was not permanent in every instance. We know why it is that some agents meet with instant success, while others develop slowly. This knowledge enables us to equip the agent; to give him sound counsel; to encourage and caution him. The officers know what the agents want at the present time, and they intend to keep in touch with them so as to be constantly aware of changing needs and altering conditions. It is their pleasure, as it is their duty, to give agents every proper facility—the latest and best equipment and arms.

But some agent may say: "If you know all this, why is it that you do not remove *all* the obstacles that beset our path?"

Agents meet certain difficulties. They point out to the officers how they can be removed. But the officers feel it to be their duty to refuse, because they see that in removing them *others of a far more serious character would ensue*. This is just where the officers of some companies have shown weakness, and by seeking to give temporary aid to their agents, have done them and their companies permanent injury.

Agents, especially new agents, sometimes claim that they could frame a policy that would *sell* better than any in the market. This would in most cases be no idle boast. No one knows as well as the agent what will help and what will hinder his sales. But the problem is a far more complicated one than that. A good policy must be made not only to sell, but to last, and to give satis-

faction at its maturity, and it must tend to the prosperity and not to the injury of the company—and that not for a day, but for all time. Hence it is that many things that would help to *sell* a policy are inadmissible, for business or scientific reasons.

The framing of a new policy is like the building of a racing craft. The officers are the shipbuilders and the agent is the skipper who will sail the boat. His counsel is invaluable. He is able to point out defects in former models. But there are many delicate problems. What will serve on smooth water in a light breeze will not serve in a high sea in a gale of wind. If everything is sacrificed to lightness there will be insufficient strength.

It is true that there must be intelligent co-operation between the builder in the workshop and the seaman at the helm, but it does not follow from the fact that the builder's province is to spend most of his time in the shop, that he is ignorant of the needs and preferences of the man who is to sail the boat. Herreshoff, the most famous designer of that famous family of shipbuilders, was blind, consequently he could not sail the yachts which he planned. He could not even see how they moved through the water, ***but they proved their efficiency by winning.***

But to return to the main question. The agent encounters difficulties, and he hastily exclaims, "Why don't the officers remove them and make our path smooth?" This question has already been answered,

but there is a phase of it which has not been touched upon. There are many difficulties which are *inherent* to the business of soliciting life assurance which will never be removed. But do not conclude from this that the agent's lot is unusually hard. Every calling has its own difficulties, and the man who escapes those peculiar to life assurance and enters into some other field of labor will find that he will have new disadvantages with which to contend. On the other hand, a life agent has exceptional advantages. He enjoys a freedom which is rare in business life. He enjoys an independence which is very unusual. He is usually master of his own time and of his own movements. If he is without wealth, but is the possessor of the requisite mental qualities, he may quickly achieve results and accumulate profits which could not be paralleled in other lines of business by men without large capital. Many men of marked ability who are engaged in other pursuits are so restricted that they are unable to exercise the talents they possess; but every life agent can carve out for himself a path to success if he has the requisite ability and energy.

The agent is the man behind the gun, but the value of the gun must have some consideration. If our American sailors had been behind the Spanish guns their achievements would have been less remarkable than they were; for if the mechanism of your gun is out of order, if your ammunition is inadequate, the man behind the gun will be seriously hampered.

Let me repeat, then, that the Equitable Society could never have reached its present position under the management of officers ignorant of the best methods of canvassing, or indifferent to the trials and tribulations of the agents in the field. These officers have well defined duties to perform. Canvassing is not necessarily one of them, but a *knowledge* of canvassing *is.*

In the first place, they must be masters of the theory and practice of life assurance, and be able to see what the effect of action taken to-day *will be thirty or forty or fifty years hence.*

In the second place, they must conduct prudently and effectively the affairs of a great financial institution.

In the third place, they must be competent to give the agents good tools, and must be able to aid them in their work.

To this end they must appreciate and understand the agent's trials and difficulties, removing those that can be removed, and aiding him in dealing successfully with those which cannot be removed.

CHAPTER XXIII.

THE VALUE OF SENTIMENT TO THE AGENT.

IMPORTANCE OF CONCENTRATION.

The best motto for the life agent is "*This One Thing I Do.*" That was the motto of a youth who lived near West Point, on the Hudson River. Here's what the New York *Sun* says about him:

Highland Falls, N. Y.—When Arthur Slausen, aged thirteen went fishing this afternoon he took with him little Harry Rose, aged eight. An hour or two later little Harry's father came upon Slausen as he sat alone on the bank of the Hudson fishing.

"Where's Harry?"
"I dunno."
"What has become of him?"
"I dunno."
"When did he leave you?"
"I don't know nothin' about him."
"But you must know. Where's my boy? What have you done with him? Tell me—be quick!"
"Well—I shoved him in the river."

It was true! The little boy was dead at the bottom of the Hudson.

"Why did you do it?" somebody asked.
"Because he bothered me," was the retort.
"And you saw him drown?"
"Yep."
"And you did not try to save him?"
"No."
"Why?"
"I was afishin'."

Young Slausen's course was most reprehensible, but his *singleness of purpose* teaches a valuable lesson to the life assurance agent, and that not simply on the general principle that a shoemaker should stick to his last, but for a special reason, namely, that the work of the life agent is not material, but spiritual. If he is to succeed it must be through the influence of mind on mind—will against will—confidence against doubt, certainty against uncertainty, enthusiasm against apathy.

WHY SENTIMENT IS IMPORTANT.

The instrument with which the agent achieves his triumph is *himself*. If his mind and heart are not attuned to this work he can no more hope to achieve success than the musician can hope to extract sweet strains from a violin that is cracked. But if he represents a company in which he has pride; if he is in harmony with its management; if there are no jarring discords; if through its influence he is tuned up to concert pitch, then he can discourse sweet music and charm all hearers. Hence the Equitable agent must be imbued with the Equitable spirit, and must train his mind and heart as the athlete trains his body, or as the prima donna cultivates her voice, in order that the means may be adapted to the end for which he strives.

Soon after I joined the Equitable, and when I was yet young and inexperienced, I once listened to a speech made by Mr. Hyde to a body of Equitable agents. He

urged upon them the importance of *sentiment* in their business; he claimed that their success depended on the quality of their sentiment for the company they represented. I did not at the time fully grasp the significance of that statement. "Is it not," said I to myself, "a mere matter of business with the agent? He has certain goods to sell and if he gets paid for his work is that not all there is to it?" No. In the case of those who represent the Equitable that certainly is not the case, although it may be so with the agents of some companies. To appeal to the sentiment of the agents of certain companies would be like seeking to feed hungry men on stones or sending them to gather grapes from thorns or figs from thistles. Hence the agents of such companies are to be commiserated. But Mr. Hyde was right as far as the agents of the *Equitable* are concerned. The Equitable agent has no more valuable possession than this *sentiment*—his loyalty to his Society; his confidence in the integrity of its management; his appreciation of the reforms it has introduced; his conviction that its administration is just; that its affairs will be conducted in the future as they have been in the past, in a spirit of the strictest mutuality, for the best interests of its policy-holders.

Life assurance companies may be divided into three classes:

1. Those that do a strictly legitimate business quietly and unostentatiously; that originate nothing; that

lay themselves open to no criticism; but, on the contrary, deserve commendation.

2. Those that seek to make a sensation; whose chief aim is to do a large business for its own sake; who are ready to do anything to beat the Equitable, even if they must ride down and trample upon their own policy-holders to accomplish their purpose; who are always crying reform where there is no reform, or practicing liberality to strangers at the expense of their own steadfast members; who disregard principle; who eschew science; who do not scruple to obliterate the old landmarks; who are clever and smart and superficially and temporarily successful, but who are all the time doing injury to their policy-holders and to the noble calling of life assurance.

Now, the Equitable belongs to neither of these classes. It does not belong to the first category, because the companies of that class are neither aggressive nor progressive and the Equitable is both. It does not belong to the second category, because the Equitable *does* hold to sound doctrine; *does* seek to protect its members; *does* aim to do only a sound, wholesome, lasting business. It belongs to a third and altogether different class.

It has done more than any other company to develop and improve the practice of modern life assurance.

Have you ever thought what assurance would be to-day if the Equitable had never existed, and if its first President, and its second President, or its third President had never lived? I once had a dream of precisely

that situation, and this is what I saw in my vision. The business was restricted to a few dry channels. The policy contract had grown and grown until it had become twenty or thirty pages in length—a technical and obscure legal instrument loaded down with arduous conditions, leaving to the widow and orphan a lawsuit instead of a legacy; resulting in contests and disputes. In the few cases where some return was made to the beneficiaries it was after hope deferred had made the heart utterly sick. No return of the entire reserve at any period was guaranteed. No promise of a full share of surplus profits at any time was made. Every company had its staff of adjusters traveling over the country digging up points to be used in resisting the payment of claims. The whole system had become a snare and a delusion, and was steadily falling into decay.

But this was only a dream. As a matter of fact, during the last forty years improvements and reforms have followed one another in quick succession, and the Equitable has, in nearly every instance, been the company to introduce them. It has cleared the way; it has made the path smooth; and whenever it has penetrated into a new country it has there established peace and safety, and the other companies have followed in and shared the advantage. The Equitable has ever been the first company to see the need for reform, and it has had the nerve to act first and alone, and the grit to stand steadfast when assailed for taking the initiative.

TRUE ENTERPRISE.

There are a few agents who acknowledge the truth of all this as far as the past is concerned, but who sometimes wonder whether the Equitable has not, during the recent years, ceased to advance—allowing other companies to get ahead of it. Do not permit any such fallacy to dim your vision. Remember that it is one thing to go forward along the right path in the right direction, and another and a very different thing to dash ahead heedlessly over a path that may finally lead you over a cliff. Not all new things are reforms, and if the Equitable is not introducing something new at every turn it is because it has brought the practice of American life assurance to so complete a state that most of the great and far-reaching reforms are things of the past. Consequently when the Equitable calls a halt it is not because it has lost courage, but because it has *arrived.* Again, if some other company introduces some new thing that tends to evil and disintegration and the Equitable says: " No, our motto is, *Not for a day, but for all time,*" its protest does not indicate a faint heart or diminished enterprise.

PECUNIARY VALUE OF SENTIMENT.

It is a privilege for the agent to be connected with such a company as the Equitable, and the fact that it is such a company draws the staff officers and field officers together as those of no other company can be drawn.

And this is no mean advantage. It "cuts ice." "There's money in it." It means dollars for the agent. Just as the stream cannot rise above the level of the spring, so the agent cannot instil into the mind of the man he solicits more confidence than he has within himself. With the successful agent it is a transfer of his enthusiasm to the applicant, but the agent cannot have genuine enthusiasm about a company in which he has little confidence himself. Since it is true, therefore, that the agent can place absolute reliance upon the management of the Equitable, that certainly will create in him a burning zeal, and that zeal *will have a money value with which he can purchase success.* The agent is a sort of automobile, dead and motionless if his storage battery is exhausted, but if he can charge himself with electricity at the Equitable power-house he can take passengers aboard and carry them to their destination,

Such facts as these explain why some men of ability fail to produce adequate results, even when they occupy the richest fields, while men of inferior capacity in poorer fields succeed. It is for such reasons that men of moderate attainments often outrun men of exceptional force, and that those who are weak sometimes accomplish more than those who are strong. *But when the strongest man, in the most fruitful territory, is overflowing with sentiment about the strongest and best company in the world, then it is that brilliant achievements astonish the people.*

Let me recapitulate. The agent's success depends

upon himself—upon the condition of his own mind, and its concentration on his work. If he lacks confidence in his company and its policy of management his mind will not be attuned to his work, and he will not achieve marked success. Hence, it *pays* for an agent to be identified with such a company as the Equitable, for thereby he will be charged with a mental and spiritual force which will enable him to convince those with whom he talks, and thus constrain them to cast in their lot with us.

A SIGNIFICANT ILLUSTRATION OF THE PRACTICAL VALUE OF SENTIMENT.

And how can the value of loyal enthusiasm be illustrated more fittingly than by referring to a notable exhibition of sentiment on the part of the agents of the Equitable; an exhibition unparalleled in the history of life assurance? The officers are proud of their association with a body of such loyal agents as those who at the close of the year 1899 rose as one man to resist an assault upon the fair fame and prosperity of their beloved Society. What a notable uprising it was!

Glance for a moment at the facts:

As the year 1899 came to a close it was known to all the world that the entire agency force of the Society was entering upon a period of transition. The officers of another company reasoned thus: "With the agents of the Equitable it is purely a matter of dollars and cents. They will all be foot-loose at the beginning of the year.

They expect to be compensated hereafter on a basis—better for them in the long run, it is true—but less remunerative in the beginning. Hence, as they are likely to look no further than the ends of their own noses, and as they will be in an unsettled and uncertain frame of mind at that time, they can easily be dazzled by offers of immediate advantage; we can readily draw them from their allegiance to the Equitable, and by such a course we shall gain a two-fold advantage: we shall add to our glory and seriously cripple an active competitor.

But they reckoned without their host. They little knew the sentiment of the Equitable's agents. What was the result? First, indignation; then enthusiasm; finally, a welding of those bands of confidence and sympathy which have always bound the Equitable and its officers and its agents together. From that hour a burning zeal has characterized the work of the agents of the Equitable Society unexampled even in our own history, noted as it is for so many signal triumphs.

And this exhibition of loyalty has been so remarkable that I can liken it only to that spirit of patriotism which thrilled through every fibre of the American people when war was declared with Spain. Do not smile, then, if I quote words that are threadbare, but whose meaning must ever be fresh and inspiring:

> Breathes there a man with soul so dead
> Who never to himself hath said,
> This is my own, my native land?

Breathes there an agent of the Equitable who never has said to himself: "This is my own, my chosen company of which I am justly proud, in which I have immovable confidence; under whose banner I shall always serve; in whose successes I rejoice, and whose triumphs will ever be my triumphs?"

If there be in our ranks an agent who is without this spirit of loyalty let him examine himself to see whether his failure to attain to a full measure of success is not due to a lack of proper sentiment.

THE AGENT'S REWARD IS NOT SIMPLY A CONSCIOUSNESS OF VIRTUE; HE SECURES IN ADDITION A PECUNIARY ADVANTAGE.

And now, as a parting word, remember this:

Virtue may be its own reward, but it is a very pleasant thing if, in addition to that reward, we receive a *liberal cash dividend.* And, if my contention is sound, the agent who is imbued with the true Equitable spirit *will receive that dividend,* for the agent who has this sentiment will do a larger and a better business; and if he does a larger and a better business he will make more money; and if he makes more money he can extend his field of operations, and his success and prosperity will steadily increase.

CHAPTER XXIV.

SHOULD THE AGENT APPEAL TO THE SENTIMENT OF HIS CUSTOMER?

After reading the foregoing chapter perhaps you will say, " If it is important for the agent to have sentiment, how much more important it must be for the agent to be able to appeal to the sentiment of the man he wishes to assure! " But this is a debatable question.

There are two ways of selling assurance. One is to appeal to the sentiment of your customer. The other is to eliminate sentiment and offer the assurance as you would offer a block of railroad bonds. Either method is legitimate. Some agents prefer the first; some the second.

There are occasions when I should certainly advise an agent to concentrate his efforts on a sentimental appeal; when a man's duty to his family must be impressed upon him; when his natural affection must be awakened. Or it may be necessary to paint in vivid colors the dangers which beset his path. But I believe such instances are rare. Hence I strongly advocate, in general, the second method of procedure, and my reasons for this I shall give in another chapter.

The analogies between religion and life assurance have often been noted. These analogies are striking when

the methods of the divine and the solicitor are compared. With the divine, the method in old times was to urge the sinner to flee from the wrath to come. The modern method is to attract him by picturing the joys of the life eternal. Now, the divine who dwells upon the joy in believing does not necessarily discard the doctrine of future punishment; he merely decides that it is easier to draw his hearer by offering a reward than to drive him by threatening punishment. Thus it is with the solicitor. He recognizes the fact that if he can show his customer that it is to his pecuniary advantage to assure; that a policy is a good investment, which will not only protect his family, but will reward him if he lives, it becomes superfluous for him to dwell upon distasteful themes. Moreover, in most cases the sentiment of his customer *will assert itself without any stimulus from him.*

But as the sentimental appeal is legitimate, it deserves consideration, and among other things let us take note of some of the books which have been of service in the past to the solicitors who have followed the old method of canvassing.

If you want to know what the old warnings were like, glance over the pamphlets that were in vogue twenty or thirty years ago, and some of which are still in use. You will find them full of heartrending instances of the misery resulting from procrastination and neglect. These pamphlets were often written by clergymen. One of the most popular writers of his day, the Rev. Dr.

Henry Fish, of New Jersey, for example, was the author of two little books which have been in circulation for many years. One of these was entitled "*Words to Wives,*" and the other "*Why Not?*" At the end of this chapter I have added a few extracts from these and kindred publications.

Sermons have often been preached by prominent clergymen on life assurance. If you are not familiar with the one delivered many years ago by the late Dr. Talmage when he was pastor of the Brooklyn Tabernacle, I advise you to read it. Here are one or two extracts from it:

It is meanly selfish for you to be so absorbed in the heaven to which you are going that you forget what is to become of your wife and children after you are dead. It is a mean thing for you to go up to heaven while they go to the poorhouse.

The minister may preach a splendid sermon over your remains, and the quartette may sing like four angels alighted in the organ loft, but your death will be a swindle. You had the means to provide for the comfort of your household when you left it, and you wickedly neglected so to do.

If there be anything more pitiable than a woman delicately brought up and given to a man to whom she is the chief joy and pride of life until the moment of his death, and then that same woman going out with helpless children at her back to struggle for bread in a world where brawny muscle and ruggedness of soul are necessary—I say, if there be anything more pitiable than that, I don't know what it is.

The following appeared in a newspaper published in Providence, R. I.:

Three years ago, Philip Sullivan, of Fall River, died, leaving a heavily mortgaged house, a widow and three children. In

vain the widow worked to pay off the debt; the property was sold to satisfy the mortgage, and the poor woman and her little ones were turned into the street. She brooded over her loss, became mentally unbalanced and finally was possessed of the fixed idea that if she and her children slept one night in the house one-third of its value would revert to her. Last New Year's eve she smuggled them into the attic and the next morning the purchaser of the house discovered what had been done and sent for the police. At the station it was found that nothing could be done for her except to send her to the almshouse. The children began to cry piteously at the thought of separation, and were with difficulty taken away to an orphan asylum.

It is not likely that the reporter who contributed this item to his paper was thinking about life assurance, but what a text for a sermon on "Sentiment in Life Assurance!" And how the pathos of the story is deepened when we think that all this misery might have been averted if the husband of that unfortunate widow had assured his life for an amount sufficient to pay off that mortgage at his death!

Every agent knows how heartrending are the cases of those widows whose husbands, after having protected them for a time by life assurance, have allowed their policies to lapse. The following letter has been quoted before. It refers to a policy issued by the Equitable which was allowed to lapse after only one premium had been paid:

DEAR SIRS: I have been thinking ever since Mr. A.'s death of writing, but my health and trouble have prevented me from doing so.

Will you please let me have his assurance money as soon as possible, as I am very much in need of it, having the debts of a very heavy doctor's bill and burial expenses to pay. His assurance money is all I have to depend on. MRS. J. E. A.

What a pathetic appeal! Think of the despair of the widow when she received the agent's letter explaining that there was no assurance! The writing of that letter must have been very painful to the agent, and I have no doubt that he put his hand into his own pocket and contributed something to stay the hunger of those orphan children, although I dare say that so many other agonizing instances had come to his notice that he might very properly have been excused for refusing to contribute.

With such facts within the observation of every agent in the land, it would be folly to say that the sentimental method of appeal is not legitimate. But I contend that as a rule, in cases where such an appeal would *suffice,* the other method will prove far more efficacious. My reasons for this you will find in the next chapter.

EXTRACTS FROM OLD PUBLICATIONS.

You may not die for a long time—but you may die to-morrow—and some time you must die. If it was probable that you would die soon, you could not get assurance at any price.

If you, living, find it hard to make both ends meet, how do you think your family are going to do it when you are dead?

Look upon the faces of your children. Do you love them? Then do not leave them exposed to possible poverty and its attendant temptations.—*Dr. Fish, in "Why Not."*

Is it right that any virtuous woman should be left homeless and unprotected? And yet how many such there are! And why? The lack of that few hundred or thousand dollars—which a life policy would have procured—lost the widow her all.

And now in abject poverty, she can scarcely endure the reflection that a comfortable subsistence was within her reach,

and yet it is not hers! What town or village has not its "destitute widows"? Our cities are full of them. You know many of them. Perhaps they are fighting off starvation and temptation with the point of a needle. Very often you meet one of them. There! she knocks at your door. She has come because she must! Poor thing! Buy a book or a picture, or subscribe for a magazine that she is canvassing for. Help her; she needs it! How sad she looks, and pitiful! She is young and handsome—ah! this may be her ruin! Have you a daughter? And if you are left penniless can you shield her from the world's dangers, trials and temptations, as you could if your husband makes some sure provision while he lives?—*Dr. Fish, in "Words to Wives."*

One could easily bear to be poor; poverty for one's self is no great ill, and wealth for one's self is no great blessing, oftener a curse. One could even bear to take his wife and children down with him into poverty, so long as he could be with them to help them carry the load, and carry the heaviest part himself. But to go off to his own eternal rest and to leave them to go down into poverty, and to fight the wolf from the door—to leave the boys who have been at school or college to abandon hope of education and go into clerkships; and the daughters who have been reared in comfort to become teachers, or governesses, or seamstresses; and the wife, who has been fed and housed and clothed, to feed and house and clothe not only herself but perhaps her little children, and to be removed from all possibility of giving help or even comfort to the forlorn wife in such a battle—what prospect more terrible than this to look forward to? Every man is bound by the highest consideration of prudence and honor to guard those who have entrusted their destiny in his hands against such a contingency.—*Dr. Lyman Abbott.*

There are, doubtless, thousands who had the means of insuring their lives two years ago, but who are now too poor to do it. There are many yet able who neglect it because they do not expect to be poor, who, nevertheless, will become impoverished. We are so deeply impressed with the importance of such prudential considerations that we regard the matter not simply as one of prudence, but as a moral duty.

Once the question was: Can a Christian man rightfully seek

such assurance? That day has passed. Now the question is: Can a Christian man justify himself in neglecting such a duty.

Money secured to your family by life assurance will go to them without fail or interruption *(provided you have used due discretion in the selection of a sound and honorable assurance company.)* Of two courses, one of which *may* leave your family destitute, and the other of which *assures* them a comfortable support at your decease, can there be a doubt which is to be chosen? Can there be a doubt about a duty?

How shall we know what societies are sound and well-managed? Just as you know what banks are good and bad—by inquiring, by using your common sense. Just as you find out a good doctor, a good lawyer, a good school, a good hotel.—*Henry Ward Beecher in "Truth in a Nutshell."*

CHAPTER XXV.

THE AGENT MAY AVOID A SENTIMENTAL APPEAL.

We have seen, in Chapter XXIII, how important sentiment is to the agent, and we have seen, in Chapter XXIV, that in some cases it may be very advantageous for the agent to appeal to the sentiment of his customer; but most life assurance agents have given up the old plan of appealing to a man's sentiment. Instead of trying to frighten him into assuring his life, he offers him an attractive investment.

A modern policy is a good thing to have—good for the investor, as well as for those who are to succeed him, and well worth the money he puts into it. Hence, it is seldom necessary to remind him of his duty, or to point to the harrowing instances of misery resulting from neglect.

Where men go gladly it is not necessary to coerce them. Moreover, there is something of the mule in every one of us; therefore when people try to drive us we instinctively resist.

If you want to assure a man's life, you must keep him in a good humor, and you cannot keep him in a good humor by dwelling upon disagreeable themes. Nor does any man like to be told by a stranger that he is neg-

lecting his duty. Nor does it cheer him to be told that death is staring him in the face. Therefore, sell your assurance on a strictly business basis.

"Many a true word is spoken in jest," and I call your

1. "You may drop off any minute and leave your family unprovided for."

attention to the accompanying caricatures, which are here reproduced through the courtesy of a New York newspaper.* These pictures were not made for educational purposes, but nevertheless they tell the agent how

*The Journal.

not to canvass. They depict a man driven mad by the indiscreet advice of life assurance agents, and locked up, at last, in Cell No. 15 of an insane asylum.

Many a wife has prevented her husband from assuring his life because she has viewed the subject from a purely sentimental standpoint; and even the husband finds the subject a distasteful one when thus presented. He is full of courage, and hope, and vigor. He has no thought of dying. His confidence in life is a natural and healthy instinct. He is ready to go into new enterprises, and to invest his money in them, not because he fears death, but because he expects to live, and wishes to make provision for the future.

Modern life assurance has become a mighty force because it appeals to a man's selfish needs. That is to say, the man who assures his life is not making a sacrifice. He knows that he is improving his own condition. Hence, the best way to sell a policy is to use precisely the same arguments that would appeal to the man in search of an ordinary investment.

A man well known to me, but whose name I am not at liberty to mention, applied to the Equitable some years ago for a policy. I became familiar with his circumstances at the time, and I have followed his case with interest ever since. It seems that he had accumulated, by inheritance and saving, a capital of nearly $100,000. Knowing that if he should die his family would have the income from that capital, he was happy and content. But, wishing to increase this capital, he embarked

in a speculation outside of his legitimate business. During a period of financial disaster all his accumulations were swept away, and he was left, besides, with heavy obligations. His income from his own business continued, but he knew that, in the event of premature

2. "Just think of the risks you run every time you cross the street!"

death, his family would be destitute. Immediately he determined to assure his life for the amount of his losses —$100,000. Now, it is perfectly true that he took this for the protection of his family, but the transaction was, in the main, a cool, carefully calculated business opera-

tion—I might say a selfish operation, prompted chiefly by self-interest. He reasoned as follows: His losses threatened to impair his credit. If he lost his credit, not only would his debts overwhelm him, but his business would be ruined and his prospects shattered. He was living on a scale which made him somewhat conspicuous, and to adopt a policy of retrenchment would have aroused suspicion as to his financial ability. Then, again, he saw that any radical change would involve the sacrifice of property which, if held, would undoubtedly recover its value. Besides, he enjoyed the comforts of life, and was unwilling to give them up, and it would have been both mortifying and distasteful to him to sell his house and dismiss his servants and resign from his clubs. On the other hand, he felt that he would get little enjoyment out of these material comforts if they should be continued while the future of his family remained imperiled. He was in a dilemma. How could he expect to accumulate a new fortune unless he cut down expenses, and how could he cut down expenses without endangering his credit? He had but one resource. He was still young, and the premium on a large policy involved, comparatively speaking, but a small charge against his annual income. But as soon as he had laid the necessary amount aside with which to pay the premium, he was able to spend the balance of his income with a free hand. What has been the result? Without unduly pinching himself, he has been able to transact his business with good success dur-

ing recent years; and, if I am correctly informed, has succeeded in accumulating a capital as large, or perhaps larger, than the amount that was swept away. To-day, therefore, his estate has *double the value it had in the beginning;* for he has a new invested capital of upwards of $100,000, and, in addition, an equal amount

8. "Our policy insures against suicide, too!"

of capital represented by his policy. And, most important of all, if he had not taken this assurance, it is altogether probable that he would not have been able to save anything, and probably his whole future would have been blighted. Furthermore, this man was advised to take his assurance on a plan which will give him ultimately the opportunity of realizing a substantial

cash return *himself* if he no longer cares for the protection of the assurance.

Think of the admirable adaptability of life assurance to this case! Here is a man threatened with bankruptcy who averts danger by assuring his life; who thereby builds up a new capital for his own use; who meanwhile retains the means of enjoying life as he goes along; who thus relieves his mind of all apprehension, and who is probably a richer man to-day than he would have been if he had never lost a penny!

This is but one out of the many examples of the *adaptability* of life assurance to the needs of business men. And the reason men of wealth, men of affairs, men engaged in great enterprises, men of every calling and condition, are now turning to life assurance is *because agents of ability have turned from the sentimental side of the subject and are presenting it to business men on business grounds.*

In England men assure their lives very much as business men here insure their property against fire; and the time is not far distant in this country when life assurance will be regarded by all practical men as a business necessity, just as all men recognize the fact that to carry on any branch of business successfully they must have capital. To get the capital they need in their business they will pay *any rate of interest.* When the rate of interest rises, they do not go without money; they pay the higher rate. Thus it should be with life-assurance. A right thinking man will say: " No matter what

the cost, I must have the assurance—genuine assurance, assurance that is *sure*. And, although the question of cost is important, and although (other things being equal) I shall of course select a company that will pay me liberal dividends, that is a secondary consideration.

4. "In the midst of life we are in death."

The main thing is that I *must have the assurance,* and it must be *safe for all time,* beyond all peradventure; for, if properly utilized, such assurance will enable me to extend my business, increase my capital, strengthen my credit, improve my position, and, incidentally, if there should be an accident and I should die prematurely,